0856-B-03 PREX 7.10:FBIS-EAS-92-034-A

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Daily Report

Annex

East Asia

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FBIS-EAS-92-034-A
Thursday
20 February 1992

COMPLETED

JB 99-015360

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JL: 29-42; 50

East Asia
ANNEX

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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Japan

Editorial Assesses U.S. Election, Economy

OW1402131192 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Feb 92 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Editorial: "What Will America's Choice Be at This Historical Turning Point?"]

[Text] The first U.S. presidential election in the post-cold war period is about to start with the 10 February Iowa caucus and the 18 February New Hampshire primary election. The final result of the presidential race is quite uncertain since President George Bush has already lost his great advantage as a result of the prolonged economic recession. Economy-related issues will become the focal point during the election. In short, the 1992 U.S. presidential election is the very opportunity that U.S. citizens have to clarify their country's future course of action in the middle of a historical turning point.

At last, the Bush administration has come across the collapse of the cold war world. It was a historic moment when the Republican government, led by Mr. Reagan and Mr. Bush, finally beat communism. Also, the Bush administration took the initiative in the Gulf war. As the winner of the two major wars, President Bush was supposed to enjoy an absolute advantage in the election.

Despite the victories in the international political scene, the United States was affected with a serious disease called "American Problems." The Republicans' "strong America" policy has left a large fiscal deficit caused by excessive defense expenditures. The side effect of Reaganomics was a worsening in the disparity of wealth. The nation is suffering from structural problems in its medical and education systems as well as from a nationwide drug abuse problem.

A poll showed that 59 percent of U.S. citizens think that the next generation's living standards will remain unchanged or become even worse, compared with 40 percent who showed optimism. Only 18 percent answered that the nation has passed the worst period concerning economic competition with foreign countries, and 73 percent said that the worst situation is yet to be confronted.

Undergoing an Identity Review

How does the United States regard itself and accept unpleasant realities? In the international community, the nation is expected to review its identity. Its future course of action is still uncertain. The United States looks hollow after the dissolution of the Soviet Union.

It is clear so far that the United States has to work on policy reviews to adjust itself to an economy-oriented world in the post-cold war period. This is why the economic issue is regarded as the biggest point of dispute in the presidential election.

The United States is having a hard time finding a way out of the economic recession, which has dragged on for 19 months and is said to be the worst in the last half of the 20th century. The consumer credit index is rapidly becoming worse. While the latest statistics say that the nation's unemployment rate is a little over 7 percent, it is believed that the actual rate is already in double digits. Even white-collar workers are losing their jobs.

The question here is whether the United States should take makeshift measures to quickly stimulate the economy, or if it should work on reforming the economic infrastructure with long-term viewpoints.

Election campaigns have a tendency to focus on "pocketbook issues" which deal with such everyday problems such as commodity prices, unemployment, and interest rates, and seldom discuss fiscal deficits, trade balances, and other issues concerning macroeconomics. In fact, the United States does not attach much importance to the fiscal deficit issue, as evidenced by the fact the U.S. Government revised its fiscal deficit estimate just a week after the president's budget message to Congress.

After all, candidates for the 1992 election will also lay emphasis on quick-relief measures for encouraging the economy. President Bush's State of the Union address hammered out tax collection postponements intended for middle- and lower-class workers as well as tax-cut plans for estate acquisitions and capital gains. Democrate candidates, including Clinton and Kerrey, have proposed a $30 billion tax cut for middle-class workers.

When the fiscal situation is tight, an easy-money policy is the only option to encourage the economy. If a nation's economic policy leans excessively on monetary policies, problems associated with a so-called bubble economy may be revived as a consequence of individual and private-sector tendencies to go into debt. In that case, the market will be driven into disorder.

It is very important to discuss how the peace dividend should be utilized in structurally reforming the U.S. economy. President Bush has proposed a $50 billion reduction in the defense budget in the coming five years. Democrate candidates are calling for more drastic defense budget cuts, although the president ruled out excessive disarmament, noting that such an idea comes from "ignorance of history."

Reducing defense expenditures will have a deflationary impact on the weakened economy; moreover, this is a good chance to convert a military economy from the cold war period into a civilian economy. Peace dividends will become meaningful when the new economy-oriented period is accompanied by positive changes in the economic system.

The United States has carried out a drastic conversion of its military-led economy since World War II. The dramatic economic conversion was realized by brisk domestic demand and the highly competitive power of

U.S. products; however, if the United States seeks economic conversion now, it should compete with Japanese firms.

Rough-and-ready actions for reflation defer economic structural reform, and restrictive policies disturb business recoveries. It is impossible to strengthen firms' competitive power overnight. The United States is suffering from such an economic policy dilemma. People tend to seek the root problem in the outside world when they reach a deadlock.

Isolationism and the Japan Problem

This is why Japan's closed market is severely criticized as the "Japan problem" in connection with the U.S. economic slump. The U.S. Congress proposes protectionist legislation one after another.

Arkansas Governor Bill Clinton, one of five Democrats chasing their party's nomination for the presidential election, has noted that "the Super 301 clause should stronger" to demand Japan and other countries to open their markets more. Mr. Patrick Buchanan of the Republican Party, who advocates an "America first" policy, wants import control over Japanese products. While President Bush takes a stance that protectionism should not be allowed in the United States, he may eventually be forced to respond to nationwide demands.

We should pay due attention to whether the United States again goes for international isolationalism in response to deep-rooted public demands. From the economic viewpoint, it is clear that isolationism is no longer accepted in the world because all countries are intensifying economic dependence on each other; however, reality frustrates the United States.

Buy-American campaigns are becoming active, but it is becoming very difficult to tell where a product is from. As Harvard University Professor Reich noted, economic internationalization ironically stimulates nationalism and racial self-consciousness. We should remember this so that we do not repeat careless criticism of and aggressive business activities in foreign countries.

Because the United States is expected to review its identity in the post-cold war period, Japan should also do so. What is a dilemma to the United States is also a dilemma to Japan.

Election results are not the main issue of the presidential election. No matter who wins the election, the problems of the United States remain unchanged. There are no great differences between Republican and Democratic actual policies. Rather, we should focus on how U.S. society will change and what the American people's choice will be for their country's future.

Reaction to New Hampshire Primary Results

Government 'Alarmed'

OW2002133292 Tokyo YOMIURI SHIMBUN in Japanese 20 Feb 92 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Text] In the wake of the unexpectedly close contest President Bush had in the New Hampshire primary, the government is alarmed about the possibility of the U.S. Government stepping up pressure on Japan, primarily on economic issues, as a way of recovering its ground.

Regarding the outcome of the primaries, the government (Chief Cabinet Secretary Koichi Kato) said, "It was a fairly close contest; I am a little surprised," but added, "We cannot talk about any impact on Japan-U.S. relations after seeing results of primaries in one state." A senior Foreign Ministry official took the development rather coolly, at least on the surface, and said: "I do not think the U.S. Government's position on Japan will change."

But in the background for President Bush having a difficult campaign is the discontent in the United States with the Bush government about the worsening economic recession. Another senior Foreign Ministry official said: "If the Bush camp steps up pressure on Japan about individual issues, I would not be surprised. They are in an election campaign." Apparently, there are voices wary about the possibility of the United States stepping up pressure on Japan as part of a domestic public relations campaign.

There has never been an instance of the Japan issue having become a major point of contention in the presidential elections in the past. But the situation is different in the current election campaign, and all presidential candidates have brought up the Japan issue. Even President Bush, who shows understanding of Japan, waged "automobile diplomacy" when he visited Japan in January—with the election in mind. As such, the 40 percent of votes registering a criticism of Bush must have come as a surprise.

"The President has no choice but to do better in the economic issues, and this effect will appear in the Japan-U.S. Structural Impediments Initiatve (SII) talks and in other ways," an official of the Foreign Ministry said. He foresaw the possibility that the impact of the primaries will show in the followup actions on the Action Plan adopted when President Bush visited Japan.

But the Foreign Ministry official insisted that "the good fight put up by candidate Buchanan is not one that will threaten the position of President Bush eventually."

There are also views that, even though President Bush will emerge a winner in the intraparty fight within the Republican Party, the situation is much like that of the presidential election in 1976 when incumbent President Ford of the Republican Party was defeated by unknown Mr. Carter of the Democratic Party. Ministry officials are seen to be putting much effort on collection and analysis of information on both the Republican Party and the Democratic Party.

Hopes for Free Trade Advocate

OW2002131392 Tokyo JIJI in English 1255 GMT 20 Feb 92—FOR OFFICIAL USE ONLY

[Text] Tokyo, Feb. 20 (JIJI PRESS)—Vice Minister of International Trade and Industry Yuji Tanahashi said Thursday he hopes an advocate of free trade will win this year's U.S. presidential election.

Tanahashi made the remarks after conservative television commentator Pat Buchanan found unexpectedly strong backing against President George Bush in the New Hampshire Republican primary Tuesday.

The result of the primary, seen as the first major test of the presidential election campaign, will not influence Japan's voluntary curbs on exports of automobiles, machine tools and steel to the United States, Tanahashi said.

Foreign Ministry Official Comments

OW2002120192 Tokyo MAINICHI SHIMBUN in Japanese 20 Feb 92 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Text] A senior official of the Foreign Ministry on the evening of 19 February commented on the fact that President Bush had a close contest in the New Hamshire primary of the presidential election, and said: "The White House has issued a statement saying it understands the discontent of the voters, but I get an impression that the results of the primaries reflect a certain degree of the situation in the United States." He thus gave the view that behind the good fight put up by Mr. Buchanan are complaints of the American people about the way the Bush government runs the economy.

Review of U.S. Security Relationship Urged

OW1902143092 Tokyo MAINICHI SHIMBUN in Japanese 19 Feb 92 Morning Edition p 5—FOR OFFICIAL USE ONLY

["Private View—Frank Talk" column by Tokyo University professor Mikio Sumiya: "Japan-U.S. Security System Needs To Be Restudied"]

[Text] Needless to say, the world's political and military situations have changed greatly, and the East-West cold war days have ended. Amid these situations, Asia is changing too. What I want to bring to attention in particular here is the issue of U.S. military bases in the Philippines. Clark Air Base and Subic Naval Base, said to be the best such bases in Southeast Asia, have been operating as U.S. military bases in the Philippines, which was a colony of the United States for a long time and has had close relations with it politically and economically even after gaining independence. Thanks to changes in the world, the Philippine Senate last fall passed a resolution annulling the U.S.-Philippine Cooperation and Security Treaty, and now the U.S. Armed Forces have no choice but to pull out of these strong military bases in Asia.

The Japanese Government failed to welcome this situation, which the Philippine Senate as well as most of the Philippine people considered a "restoration of sovereignty" and hence they were very happy. The Japanese Government in fact could not hide their shock concerning the development, and they were very cold about it. According to foreign news services reports, the Japanese Government actually tried to block passage of the resolution, by offering $1 billion in aid to the country. When the annulment of the treaty was passed, the Japanese Embassy in the Philippines is said to have issued a statement expressing "disappointment" about this. This rubbed the nerves of the Philippine people, particularly intellectuals, thus deepening their mistrust of Japan.

As former Prime Minister Kaifu described, "The presence of U.S. forces is very useful for peace and stability in Asia." Japan is making no move at all to reconsider the military base question or the security system itself. On the contrary, it has allowed some of the U.S. Air Force troops being moved out of the Philippines to be stationed in Okinawa, although on the condition that it is only until a base is found for the troops.

The military capabilities of Yokosuka Naval Base are being reinforced, and the people of Yokosuka are suffering a lot from the noise that comes from it and carriers along the base. Japan alone is maintaining the cold war posture, and in fact is also going as far as to strengthen its self-defense power—not even considering the possibility of reducing it.

Thirty years have passed since the new Japan-U.S. security pact—the pact that created the most serious political and social confusion in the country since the war—was put into effect. Japan appears to have forgotten about the security question amid economic prosperity.

I have been involved in the Narita Airport problem since last year. I think expanding airstrips and terminals is a major task with the 21st century approaching. It can be said that solving the Narita Airport question is a test for developing airports in the future. When the question of the airport and aerial territories is considered, and with the Tokyo situation taken into account, the only solution left is to demand the return of the Yokoda and Atsugi U.S. Air Force bases. The air territories for the two airbases face northwest—the direction to which the air passage of the future must be directed This concept about Narita is bound to lead to a need to reconsider the security system itself.

EC Official Wants Financial Market Improvement

OW2002140292 Tokyo JIJI in English 1318 GMT 20 Feb 92—FOR OFFICIAL USE ONLY

[Text] Fukui City, Feb. 20 (JIJI PRESS)—Visiting European Community (EC) Commission Vice President Leon Brittan Thursday called on Japan to improve foreign access to its financial market.

The Japanese financial service market still has room to open up to foreign firms, Brittan said in a lecture in this central Japan city along the Japan Sea.

The EC commissioner in charge of the EC's competition and financial policies also argued that the Japanese distribution system forces consumers to pay higher prices than in other countries.

Higher prices in Japan are blamed on complicated Japanese distribution channels, leading to the strange phenomenon of many Japanese wanting to buy Japanese products during European tours, Brittan contended.

The situation prevents Japanese from fully enjoying the fruits of their labor, he said.

Cooperation Planned for Aid to CIS Scientists

OW2002051992 Tokyo MAINICHI SHIMBUN in Japanese 19 Feb 92 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Text] On 18 February, the United States, Russia, and Germany agreed to establish an "international science and technology center" to prevent a brain drain of former Soviet nuclear scientists and technicians. After being informed of the plan, the Japanese Government began studying concrete cooperative measures. As the first step, Japan plans to attend an international conference scheduled for as early as March, in which the Group of Seven industrialized nations (G-7) and other nations concerned will participate and discuss measures to operate the center and how they will share burdens for setting up the center. Michio Watanabe, deputy prime minister and foreign minister, has already proposed the holding of an international conference and announced Japan's readiness to provide financial cooperation. The Japanese Government intends to take a positive initiative in efforts to prevent nuclear proliferation.

Although the government has no accurate data on former Soviet scientists and technicians, it is said that there are approximately 2,000 scientists with high-expertise knowledge, mainly in Russia, and about 5,000 special technicians, not including factory workers, in the Commonwealth of Independent States (CIS). How many of them have actually left the former Soviet Union is unknown. Some unconfirmed reports say that such countries as Iran and Libya are inducing them to work for their countries and offering high salaries. Western nations are now worrying about such a move because it might lead to another nuclear arms race.

The plan to establish such a center is based on proposals made by the United States and Germany. A center will be set up in Russia and funds will be provided for peaceful science and technology projects to secure jobs for former Soviet scientists and technicians, according to the plan.

Regarding the nuclear nonproliferation measures in the former Soviet Union, Foreign Minister Watanabe suggested at a meeting with his Austrian counterpart, Alois Mock, on 13 February that an international experts conference be held. Watanabe also disclosed that Japan was ready to provide financial assistance. Concerning the plan to set up a center, Watanabe said that "I agree with its aims," indicating Japan's readiness to cooperate.

Concrete measures to establish a center will be discussed at an international conference scheduled for March. The United States has announced that it would provide $25 million for the enterprise. A point at issue is how much financial assistance Japan will be able to provide.

Meanwhile, the Japanese Government is considering a plan to dispatch a mission composed of experts from G-7 and other nations to CIS states in March to offer instructions on nuclear control safety. The government is now hastily coordinating with other nations on the matter.

Mexican Ambassador Seeks More Investment

OW1902135192 Tokyo JIJI in English 1309 GMT 19 Feb 92—FOR OFFICIAL USE ONLY

[Text] Tokyo, Feb. 19 (JIJI PRESS)—Mexican Ambassador to Japan Alfredo Phillips Wednesday urged Japan to step up investment in Mexico, stressing his country's economic stability.

Japanese investment continues to flow into Mexico, but the amount is less than 0.5 pct [percent] of Japan's total overseas investment or 4 pct of total foreign investment in Mexico, the ambassador said in a speech here.

As an incentive for investment, Phillips cited the country's economy-stabilizing program, calling its fiscal policy "one of the highlights" and one of its "good points."

He noted the ratio of Mexico's budget deficit to gross domestic product fell to 3.5 pct in 1990 from 70-80 pct 10 years ago. The ratio for 1991 is estimated at as low as 1.3 pct, he added.

Phillips also boasted about Mexico's "competitive labor conditions," "skilled laborers" and "its growing infrastructure system," and said foreign ownership now "can be 100 pct" in most industrial sectors, though it had been limited to 45 pct in the past.

He said Mexico would like to change its relationship with Japan economically from the former "debtor-creditor relationship" into a "partnership".

Environmental Loans Considered for China

OW2002092992 Tokyo TOKYO SHIMBUN in Japanese 18 Feb 92 Morning Edition p 7—FOR OFFICIAL USE ONLY

[Text] The Ministry of International Trade and Industry [MITI] disclosed on 17 February that it is studying the possibility of again extending yen-denominated loans to China for the purpose of environmental preservation. This is being done, for instance, in order to cope with the prevention of acidic rain in China, which is believed to be having an impact on Japan.

The Japanese Government is currently providing aid to China through the use of yen-denominated loans for the construction of infrastructure projects such as railroads and bridges. However, based on the theory that it is essential to provide cooperation not only for developing China's economy, but also for enhancing its environmental and energy technology, MITI plans to extend cooperation by providing, for the first time, funds in the form of "environment-oriented yen-denominated loans" for the installation of desulfurization technology, in addition to other equipment.

MITI Minister Watanabe will visit China in late March and, upon confirming the intentions of the Chinese Government, plans to move toward the implementation of these plans during fiscal 1992 at the earliest.

The government will provide a third yen-denominated loan (to the tune of 810 billion yen for fiscal 1990-1995) to China for 42 projects, mainly concerning tooling equipment and the construction of transportation facilities. However, as it would be difficult halfway through to change the list of items for which the loan is to be used by adding environmental pollution prevention equipment, the government has decided to put up a yen-denominated loan under a setup different from that of the third yen-denominated yen.

The schedule for the total amount of this "environment-oriented yen-denominated loan" will be determined within a period of several years, similar to the current yen-denominated loan. The government will support China's environmental policies by setting interest rates for these loans at a lower level than prevailing rates (the interest rate being 2.6 percent annually for fiscal 1991).

As the world's largest coal-consuming nation, China has practically no desulfurization technology for effectively eliminating pollution at present. It has been estimated that about 15 million tons of sulfur oxides (SOx)—the cause of acidic rain—are discharged as a result of burning coal every year.

Ozawa on Revision of Constitution

OW1602043892 Tokyo YOMIURI SHIMBUN in Japanese 13 Feb 92 Morning Edition p 4—FOR OFFICIAL USE ONLY

[Speech by Ichiro Ozawa, former director general of the Liberal Democratic Party, at the second meeting of the Constitutional Affairs Research Council, sponsored by YOMIURI SHIMBUN; date, place not given]

[Text] I have been criticized for my various brave remarks since the outbreak of the Gulf war. When I speak about Japan's responsibility and role in international society, people criticize me, talking as though my argument is aimed only at dispatching Self-Defense Forces abroad. However, it is utterly improper to say that I entertain secret intentions.

Various opinions have been expressed over the last two years. Let me point out some negative views toward humanitarian contributions. Some people interpret that "the Constitution prohibits or does not call for Japan to play a role (maintaining peace or restoring order)." In addition to this, a considerable number of people are saying that "we cannot do that because Japan said (in its letter, which then Foreign Minister Katsuo Okazaki delivered to the director general of the United Nations), that the government could not cooperate in such fields."

Next is the interpretation that "the Constitution, after all, does not allow this and that a proposal to revise the Constitution should be set forth because it is impossible to justify our constitutional interpretation."

On the other hand, some people have expressed an opposite political view, saying that "we cannot keep saying that kind of thing for dozens of years because nobody knows when the Constitution will be revised."

Moreover, it is true that we, the politicians in the government and the ruling party, are inclined to delude ourselves. A considerable number of politicians are saying that "since we have been answering questions at the Diet all this while, we cannot devise a framework for answering the issue." But, can they say that when it happens that the Liberal Democratic Party has been in power for such a long time. What can we do if the Social Democratic Party of Japan [SDPJ] takes power and says that Self-Defense Forces are against the Constitution? Is it not true that such a decision, under the circumstances I have just assumed, is a government's constitutional judgment?

There is also a shade of difference in meaning from the positive view as well. A considerable number of people think that "humanitarian contributions" can be made within the framework of the (constitutional) interpretation expressed so far.

Of those who support the active view, some people say that, although we can understand political difficulties, we should clarify our views and advocate a revision of the Constitution. Some others are of the opinion that the interpretation of the Constitution can change depending on the situation a government or a cabinet then in power is faced with, and on the international situation. The last opinion is supported mainly by the Ozawa Investigation Council. I think it comes down to the fact that the goal and ideology of the Constitution are for Japan to fulfill its role more actively than other countries and to cooperate with the peacekeeping organizations of the United Nations—to which almost all the nations of the world belong—as a central figure.

Therefore, it is my opinion that the issue of Article 9 of the Constitution is not an obstacle at all to Japan in fulfilling its role in international society, and that our participation (in the peacekeeping organizations with the United Nations as a central figure) coincides with the spirit of the Constitution.

The Ozawa Investigation Council thinks that maintenance of peace and order in international society will be our ultimate goal if Japan fulfills its appropriate role in international society, a role based on the goal and spirit of international peace, peace-loving countries, and pacifism, these being the fundamental goals of the Constitution. It is natural for us to do various things, including improve public welfare and technological cooperation, for the maintenance of peace. However, we should not distinguish the act of mutually pressing down a destroyer, who tries to destroy peace through "power," from the "power" of our cooperation (in the field of public welfare and other matters).

If we can understand UN functions, not from within the narrow extent of peacekeeping operations (PKO), but as an activity for the maintenance of peace, and if the United Nations forms a unit for the maintenance of order, Japan will join it. In other words, participation with UN troops, if it occurs, is not at all contradictory to (the Constitution). So far, the United Nations have not formed troops (on the basis of the UN charter). In the (strict) sense I have just described, the UN troops mobilized at the time of the Korean war and the multinational forces in the recent Gulf war are not UN forces. However, many people think that they can make a theoretical interpretation of it in this way. The problem is how we can deal with this difference of opinions. Moreover, security in the Asian region has become a major topic for discussion.

It seems that people are coming to the conclusion that the discussions on the so-called collective right of self-defense and collective security are tasks to be studied in the future.

There is a problem regarding the unilateral nature of the Japan-U.S. Security Treaty. Various opinions were expressed because this is also related to the issue of the collective right to self-defense. However, we decided that it was also an issue to be discussed in the future.

The collective security is understood and supported by many people at home and abroad. However, the words collective security and collective right of self-defense sound similar to each other. This is becoming inconvenient. Since the concepts are completely different, I have decided to use the word international security rather than saying collective security.

Councils To Study International Contributions

OW1802133192 Tokyo JIJI in English 1254 GMT 18 Feb 92—FOR OFFICIAL USE ONLY

[Text] Tokyo, Feb. 18 (JIJI PRESS)—Four governmental advisory councils will hold joint sessions from April to deliberate on the course of Japan's future contributions to the international community, government sources said Tuesday.

Two to three members each from the Special Advisory Council on Enforcement of Administrative Reform, the Tax Commission, the Economic Council and the Fiscal System Council will take part in the joint conferences.

Members of the joint study group will discuss the definition of international contributions, and how to secure necessary funds and how to spread the burden of funding among the general public before an international meeting on the global environment scheduled for Rio de Janeiro, Brazil, in June.

There are emerging calls for introducing a new tax to finance efforts for the preservation of the environment.

But the group is expected to propose raising funds by cutbacks in government spending and the privatization of public and semigovernmental corporations.

The move to form the joint group comes after the failure of the government and the ruling Liberal Democratic Party (LDP) late last year to push through a 1.3-trillion-yen tax increase to increase Japan's international contributions.

The proposal met with harsh resistance from various circles due to a failure to clarify specifically how the funds would be used and procedural ambiguities.

MOF Expanding Bonded Areas To Encourage Imports

OW1702055192 Tokyo NIHON KEIZAI SHIMBUN in Japanese 27 Jan 92 Morning Edition p 5—FOR OFFICIAL USE ONLY

[Text] The Ministry of Finance [MOF] has decided to expand the present bonded system, which allows temporary deferment of payment of tariffs on imported goods from abroad, as a means to increase the import of manufactured goods. The following measures are the main points: 1) abolishing the interest tax system, which charges an interest on tariffs due for manufactured goods that have been kept for a given period before delivery, and 2) designating bonded areas collectively as "comprehensive bonded areas" through amendment of the designation system, which currently designates only individual facilities, such as warehouses and factories, as bonded areas. These measures are steps to be taken in the tariff system to support import promotion areas (foreign access zones), which are now being promoted by the Ministry of International Trade and Industry and the Ministry of Transport. The Ministry of Finance plans to incorporate them into an amendment to the Customs Law, to be submitted to the current session of the Diet and enforced starting 1 April. At the same time, it is going to implement a reorganization of the major customs houses throughout the country by July, in order to push the expansion of bonded areas.

A bonded area is a place where tariffs are levied on goods only at the time they are shipped, provided that foreign enterprises bring raw materials into a bonded area where they process them into finished goods for distribution on the Japanese market. Utilizing this system brings about cost reduction for foreign enterprises. The government plans to invite foreign enterprises, which aim to expand their outlets on the Japanese market, by designating areas in the vicinity of airports and harbors as bonded areas, where it will build facilities such as joint offices and warehouses.

The current system of interest taxation, which the Ministry of Finance has decided to abolish, charges an interest rate of 7.3 percent per annum on tariffs imposed on manufactured goods if the goods at the factories in bonded areas are shipped more than 100 days after they are manufactured. By abolishing this system, foreign enterprises will be exempt from interest taxes on their products even if more than 100 days elapse after they are manufactured. This will enable them to make flexible shipments after ascertaining supply and demand on the Japanese market.

Also, with the changeover to a system of collective designation of comprehensive bonded areas from the present system of designating as bonded areas individual facilities such as warehouses and factories, a customs house director can designate a bonded area after the Ministry of International Trade and Industry approves a site as an import promotion area under the following conditions: 1) a certain degree of centralization of facilities; 2) comprehensive usage of the site as the temporary storage place for raw materials, processing, and exhibition; 3) clear delineation between the bonded areas and other areas.

Furthermore, the Ministry of Finance is scheduled to reorganize the eight major customs houses, including Tokyo, Yokohama, and Kobe, in July in order to promote the expansion of imports of foreign goods. This will be the first customs house reorganization undertaken in 25 years, that is, since 1967. The present export and import departments will be integrated into an operations department in order to expedite customs formalities for importing and exporting goods.

In addition, it will establish a Research and Bonded System Department, which will have research functions, so as to help promote the operation of new bonded areas. The Ministry of Finance also plans to reorganize its Import Division and Export and Bonded System Division into the Operations Division and Research and Bonded System Division, respectively, in line with the reorganization of the customs houses.

MITI Economists Defend Keiretsu Structure

OW1702035292 Tokyo EKONOMISUTO in Japanese 4 Feb 92 pp 70-74—FOR OFFICIAL USE ONLY

[Article by Fujio Uryu, Toru Sunada, and Yasushi Nakahashi, economists at the Research Institute of International Trade and Industry under the Ministry of International Trade and Industry: "Correct Errors in Debate on 'Keiretsu'; Japan's Market Is Open Enough"]

[Text] **Obscure Concept**

The Japanese "keiretsu" has become a topic of heated debate in the United States. The matter was taken up at the Japan-U.S. Structural Impediments Initiative [SII] talks. But if we examine the contents of the debates, it becomes clear that there exists a lack of understanding of economic realities in this country. Apparently, in the United States, there is an overriding preconception that "keirestu" is synonymous with being closed.

The term "keiretsu" is ambiguous to begin with. It is used in common parlance, hence it has no clear definition. People often use expressions like "this company is a keiretsu of that company," but the meaning in this context is often unclear. The word "keiretsu" sometimes means a group of companies linked horizontally, but sometimes also means a group of companies linked vertically. Besides, it sometimes means a so-called "distribution keiretsu" which a manufacturer forms as a network through which he can sell his products. At times it refers to a bank "keiretsu," which describes local banks that belong to some big banks. If debates are to be conducted about "keiretsu," it is necessary that the interlocutors must first agree on which of the above is the operative definition. Furthermore, the debates should continue only after a correct understanding of existing economic realities has been reached.

"Keiretsu" in common parlance is thought to mean "a certain intimate relationship among companies" and is similar to friendships between individuals. Suppose some foreigners want to join a certain country's community. If they argue that friendships among people in that community have become an obstacle to their attempt to enter the community, such an argument would make no sense. People always want to make new friends, while keeping and valuing the old. Japanese companies always want low-price, high-quality products. So if a foreign company can supply low-cost, high-quality products, it should not be difficult for it to become good "friends" with Japanese companies.

FOREIGN
BROADCAST
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SERVICE

Daily Report

East Asia

FBIS-EAS-92-034
Thursday
20 February 1992

IX

Daily Report
East Asia

FBIS-EAS-92-034

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Japan

Miyazawa Affirms Continuing Ban on Rice Imports

OW2002051892 Tokyo KYODO in English 0503 GMT 20 Feb 92

[Text] Tokyo, Feb. 20 KYODO—Foreign Minister Michio Watanabe suggested Thursday that Japan has no alternative but to accept tariffication of rice imports to avoid a failure of the Uruguay Round of multilateral trade talks.

Watanabe, replying to Social Democratic Party member Koken Nosaka at the day's session of the House of Representatives Budget Committee, said a failure of the negotiations being held under the auspices of the General Agreement on Tariffs and Trade (GATT) would deal a severe blow to the Japanese economy.

Watanabe, who is also deputy prime minister, said such a failure would inevitably cause damage to Japanese farmers.

Japan, nevertheless, will make every effort to seek ways of escaping the imposition of tariffication as proposed by GATT Director General Arthur Dunkel, Watanabe said.

Dunkel on December 20 issued a comprehensive proposal, including the tariffication concept, which would convert nontariff trade barriers such as Japan's near-total ban on rice imports into tariffs.

Watanabe said Japan will submit to the GATT commission by the March 1 deadline its proposals on reducing the tariff rates on products, even though the rice issue is unresolved.

Following Watanabe, Agriculture, Forestry, and Fisheries Minister Masami Tanabu replied that Japan cannot agree to tariffication of rice imports, which he said would eventually lead to liberalization of the rice market.

Prime Minister Kiichi Miyazawa then took the stand and said that what Watanabe told the committee "is in accord with the government view."

Miyazawa, however, said the government will not change its position that Japan will continue banning the import of rice.

Tokyo To Give No Rice Tariffication Schedule

OW2002124692 Tokyo KYODO in English 1220 GMT 20 Feb 92

[Text] Tokyo, Feb. 20 KYODO—Japan will not give item-by- item tariffication schedules for rice and other farm produce in its report to the Uruguay Round multilateral trade talks, farm ministry officials said Thursday.

Japan and other member nations of the General Agreement on Tariffs and Trade (GATT) are required to present by March 1 reports on their schedules for reducing farm trade protection in response to the "tariffication without exception" proposal made by GATT Director General Arthur Dunkel.

Japan is asking that rice, skim milk, and starch, among other basic farm products, be excluded from tariffication.

Japan maintains a virtual ban on rice imports on the grounds that maintaining self-sufficiency in the staple food is vital to its national security.

The officials said, however, the Japanese report will provide basic data such as domestic prices and consumption volumes for the farm products in question and give reasons for not giving them tariffication schedules.

They noted West European countries are unlikely to wholly accept the GATT proposal in their reports and Japan would be alone in facing international criticism for noncompliance with the proposal.

The report being worked out is expected to call for an average 36-percent reduction of tariffs on more than 1,000 items of farm produce from 1993 and 1999 in accordance with the Dunkel proposal.

But if a tariffication schedule for rice is given in the report, other countries might take it as a sign of Japanese acceptance of the entire tariffication scheme, the officials said.

Meanwhile, a senior official at the Agriculture, Forestry, and Fisheries Ministry told a meeting of lawmakers from the ruling Liberal Democratic Party (LDP) the report being worked out includes Japan's position that rice should be exempted from the GATT tariffication proposal.

Jiro Shiwaku, vice minister for international affairs, made the comment before the LDP's Committee on Agriculture, Forestry, and Fisheries Trade.

Patent Talks Agree on Wider Use of Data Base

OW2002113592 Tokyo KYODO in English 1012 GMT 20 Feb 92

[Text] Tokyo, Feb. 20 KYODO—The chiefs of the patent offices of Japan, the United States, and Europe agreed Thursday to make their jointly developed patent data bases available for wider use.

The trilateral talks also agreed to harmonize their search tools of data bases and compare computer systems they have developed separately.

The talks are the ninth since they were launched in 1983 to discuss the handling of rapidly growing patent applications and make more effective use of patent-related information.

The three offices—the Japan Patent Office, the U.S. Patent and Trademark Office, and the European Patent Office—together cover 80 percent of patent applications worldwide.

On the greater availability of their data bases, the chiefs agreed to provide their data bases, particularly those on genetic engineering, to private-sector on-line service companies as cheaply as possible.

The planned harmonization of the data base search tools is intended to avoid double searches, which involve overlapping development of the same patent by different companies and cause massive investment losses.

Panel: Participation in UN Forces Possible

OW2002083192 Tokyo KYODO in English 0816 GMT 20 Feb 92

[Text] Tokyo, Feb. 20 KYODO—A Liberal Democratic Party (LDP) panel said Thursday participation by Self-Defense Forces (SDF) in U.N. forces would be possible under the current Constitution by changing the interpretation of its provisions.

The panel, headed by former LDP Secretary General Ichiro Ozawa, also said Japan could join a multinational force such as that formed during the Persian Gulf war as long as its participation is restricted to nonmilitary fields.

Under the traditional government interpretation of the Constitution, Japan is not allowed to dispatch SDF personnel overseas because its Article 9 prohibits the use or threat of force as a means of settling international conflicts.

The LDP research commission was formed to explore further Japanese contributions to the international community following the Persian Gulf war.

During the war, Japan was heavily criticized by its allies, especially the United States, for providing only financial support for the war against Iraq and hesitating to give personnel assistance to the multinational forces.

The commission plans to submit a final report on Japan's international role to Prime Minister Kiichi Miyazawa, who also serves as party president, after the House of Councillors elections due to take place in July, party officials said.

A draft report compiled by the panel called for a foreign policy shift from passive pacifism to positive and active pacifism.

'Lopsided' Security Treaty With U.S. Discussed

OW2002123292 Tokyo KYODO in English 1213 GMT 20 Feb 92

[Text] Tokyo, Feb. 20 KYODO—A Liberal Democratic Party panel recommended in a paper released Thursday that Self-Defense Forces (SDF) personnel participate in a United Nations militia, despite a constitutional ban on the use of force to resolve international conflicts.

The panel, established last year after the government failed to send personnel to assist multinational forces in the Persian Gulf war, also said that Japan could dispatch medical and other noncombat personnel if such multinational forces are formed in the future.

Chief Cabinet Secretary Koichi Kato said the government would defer taking a position on dispatching SDF personnel to a U.N. military body until such a force materializes.

Since its establishment in 1945 the U.N. has never formed a force under its own commanders, largely because cold war hostilities prevented necessary cooperation between the United States and the former Soviet Union.

The report sparked angry protests from opposition parties. Social Democratic Party Secretary General Sadao Yamahana said the panel had failed to understand Japan's war responsibilities and that its policy recommendations were "dangerous."

The panel's recommendations, if adopted, would in effect overturn the government's conventional stance that the SDF may not be sent abroad for military duties owing to the ban on warfare in Article 9 of the Constitution.

This position became the focus of debate following Iraq's August 1990 invasion of Kuwait, and subsequent criticism of Japan by some of its allies for seeming reluctance to support the international military effort.

Japan provided 13 billion dollars, but stiff public opposition prevented the government from dispatching personnel until the war was over. Tokyo later sent minesweepers to help clear explosives from the Persian Gulf.

Hajime Funada, secretary general of the panel headed by former LDP Secretary General Ichiro Ozawa, said that the group plans to continue revising the paper for later submission to LDP President and Prime Minister Kiichi Miyazawa when "political conditions" permit.

The recommendations, if submitted, could influence debate on a bill to send SDF personnel to U.N. peacekeeping operations such as that being staged in Cambodia, as well as the House of Councillors elections slated for July, Funada said.

Citing the Constitution's preamble that "no nation is responsible to itself alone," the 14-page report called for "active pacifism" rather than the "passive pacifism" that has been behind Japan's foreign policy since its defeat in World War II.

The report said any stepped-up Japanese security role in Asia would be taken in conjunction with the U.S. and with the understanding of other countries in the region.

The document also provided the LDP's first evaluation of security threats to Japan following the cold war.

Potential ethnic conflicts in the former Soviet Union and China, conflict on the Korean peninsula, and North Korea's alleged development of nuclear weapons were cited as the main threats.

Funada said that strife in those areas could embroil Japan or affect its economy by interrupting delivery of vital resources.

The report depicted a new world order with the U.S. as the dominant, though not the singular power. It forecast increasing influence in international politics by the Group of Seven (G-7) nations—the U.S., Japan, Germany, Britain, France, Italy and Canada.

The four realms in which Japan should fulfill its international duties are the Japan-U.S. relationship, the G-7, the United Nations, and Asia, the report said.

In other areas, the report recommended:

—speedy passage of a bill before parliament enabling SDF personnel to join U.N. peacekeeping forces such as that planned for Cambodia
—efforts to obtain a permanent seat on the U.N. Security Council
—efforts to eliminate a clause in the U.N. Charter which categorizes Japan as an enemy nation.

Funada said the group also discussed reevaluating the lopsided Japan-U.S. security treaty, which stipulates that the U.S. shall assist Japan if it is attacked but that Japan has no obligation to help defend the United States. He said, however, that the group deferred arriving at any conclusions.

Kume Urges Price Hikes on U.S.-Bound Cars

OW2002140392 Tokyo KYODO in English 1159 GMT 20 Feb 92

[Text] Tokyo, Feb. 20 KYODO—Yutaka Kume, chairman of the Japan Automobile Manufacturers Association, urged carmakers Thursday to raise prices on automobiles exported to the United States to reflect currency exchange rates.

Kume, who is also chairman of Nissan Motor Co., told reporters he is concerned about the current trade imbalance between Japan and the U.S. He called for enhancing overseas production as well as more closely linking auto prices to exchange rates.

Kume said that manufacturers have dealt with a stronger yen by trying to cut costs, but that there is a limit to such efforts.

Toyota Motor Corp. has announced it will increase prices in mid-March on cars exported to the U.S. Honda Motor Co. also is considering an increase.

Meanwhile, Kume supported allowing voluntary restraints on auto exports to the U.S. to die. He said tightening the restraints would be bad for automakers.

Some Ministry of International Trade and Industry officials have suggested reducing the export levels for fiscal 1992, beginning April 1.

Japanese Chip Users To Open Office in U.S.

OW2002032492 Tokyo KYODO in English 0314 GMT 20 Feb 92

[Text] Tokyo, Feb. 20 KYODO—An office representing Japan's chip users will open in June in California's Silicon Valley to improve business contacts with U.S. chip makers, an industry association said Thursday.

The Electronic Industries Association of Japan said the plan is being pushed by one of its subgroups, the User's Committee of Foreign Semiconductors also known as UCOM.

The plan is part of the existing Japan-U.S. semiconductor agreement, in which Japan promised to improve foreign chip makers' access to the Japanese market in a five-year period which started in August 1991, the association said.

UCOM will send three staffers to the office near San Jose, California, and will have them visit chip makers in the Silicon Valley area, considered to be the heartland of the U.S. semiconductor manufacturing industry.

"The purpose of the office is particularly to broaden the horizons of small- and medium-sized foreign suppliers and small- and medium-sized Japanese users," said Shinichi Ito, UCOM chairman and vice president of NEC Corp.

By providing information and contacts to both sides, the office will cultivate better chip industry business relations between Japan and the U.S., he added.

Steel Imports From U.S. Show Increase in 1991

OW2002085492 Tokyo KYODO in English 0813 GMT 20 Feb 92

[Text] Tokyo, Feb. 20 KYODO—Japan's steel exports rose 5.9 percent from a year earlier in 1991 to 18.03 million tons, the first annual gain in six years, the Japan Iron and Steel Federation said Thursday.

The figure was close to the 17.98 million tons shipped in 1970, the federation said.

In contrast, Japan's imports of steel jumped 18.5 percent to 13.84 million tons. Imports of ordinary rolled steel, which comprises more than half of the total, gained 25.5 percent to mark a record 7.51 million tons.

Exports to China rose 17.7 percent, the first annual gain in six years, while those to Taiwan jumped 43.5 percent, to South Korea, 24.0 percent, and to the former Soviet Union, 14.6 percent.

Exports to the United States shed 13.7 percent, reflecting that country's slower economy. But imports from the U.S. soared 66.8 percent, with federation officials attributing the rise to an export drive there, where domestic demand remained weak.

Imports from South Korea and Brazil gained ground.

Exports of cold-rolled coils gained 10.3 percent, recuperating for the first time in four years, but wide-size hoops dropped 12.1 percent, declining for the eighth consecutive year.

Imports of the hoops rose 29.6 percent, and many other major items marked double-digit growth. Steel pipes dipped for the second successive year, slumping 3.5 percent.

Last December alone, Japan's steel exports advanced 20.6 percent from the month before to 1.77 million tons, the federation said, a 1.7 percent decline from a year earlier.

Imports of ordinary rolled steel dropped 31.4 percent from November to 466,000 tons. On a yearly basis, it fell 22.6 percent, dropping for the 13th consecutive month.

Tokyo Examines Nuclear Nonproliferation Strategy

OW2002112992 Tokyo KYODO in English 1108 GMT 20 Feb 92

[Text] Tokyo, Feb. 20 KYODO—Government ministries and agencies met Thursday to consider what role Japan should play in global efforts to prevent proliferation of weapons of mass destruction following the demise of the Soviet Union, Foreign Ministry officials said.

Officials said the participants, meeting at the Foreign Ministry, discussed possible Japanese cooperation in establishing an international scientific and technical center in Russia to give former Soviet nuclear scientists and weapons specialists an opportunity to apply their talents to nonmilitary spheres.

The proposal was made Monday by the United States, Germany, and Russia, and accepted the same day by foreign ministers of the 12- member European Community.

The U.S. has pledged to provide 25 million dollars to build the center and finance its projects, while the EC has allocated 50 million ECUs (European Currency Units).

Officials said participants at the Japanese meeting agreed that before deciding on whether to make a similar commitment, Japan should acquire more information regarding the proposed center's functions, its goals, and the feasibility of achieving them.

They concluded Japan's role would have to be made more clear in terms of financial, personnel, and technical contributions.

Midranking officials of the Foreign Ministry, the Finance Ministry, the Ministry of International Trade and Industry (MITI), the Defense Agency, and the Science and Technology Agency took part in the meeting.

Officials said there was discussion of a proposal by the Science and Technology Agency for Japan to suggest construction of a 800,000-kilowatt fast-breeder reactor to burn plutonium left after nuclear weapons of the U.S. and the Commonwealth of Independent States (CIS) are dismantled.

Some 15,000 U.S. and CIS nuclear warheads are expected to be involved in the dismantlement process.

Officials said the Foreign Ministry discussed the possibility of Japan hosting a seminar or conference on tightening several international export control regimes relating to weapons of mass destruction and rocket systems for their delivery, and applying them to the CIS republics.

Also discussed was Foreign Minister Michio Watanabe's call for an international meeting of experts, including those from the CIS republics, to comprehensively debate nuclear nonproliferation issues and identify feasible areas for assistance.

The officials said the group is expected to act on a set of conclusions reached in the not-too-distant future.

Mitsui Sounding Out Mobil on Sakhalin Project

OW2002063992 Tokyo KYODO in English 0549 GMT 20 Feb 92

[Text] Tokyo, Feb. 20 KYODO—Mitsui and Co. said Thursday it is sounding out Mobil Oil Corp. of the United States for possible cooperation in a 10 billion dollar international project to develop oil and gas off the Siberian island of Sakhalin.

Mitsui and two U.S. oil companies, Marathon Oil Co., and McDermott International Inc. won the giant Russian project on January 28 in an international tender.

But Russian authorities later suggested that the Mitsui-Marathon-McDermott (3M) group consider cooperating with Mobil, a major U.S. oil company that was among the six parties bidding for the Sakhalin project.

The tender-winning group has already started similar negotiations with Japan's semigovernmental oil venture, Sakhalin Oil Development Cooperation Co. (Sodeco), at Russia's request.

Sodeco, supported by the publicly run Japan National Oil Corp., was the Japanese partner of another group that lost in the tender.

Although Russia selected the 3M group, it reportedly wanted to see Sodeco and Mobil join the project because they could be helpful not only on the technical front, but also in financing the huge project.

Mitsui officials said Marathon is representing the 3M group and negotiating with Mobil in the U.S. If Mobil agrees, the talks would determine at what stage it would join the project, but details were not immediately known, they said.

The 3M group expects to sign a formal contract for the oil project by the end of March and start a feasibility study in April, they said.

Emperor Plans To Visit PRC 'This Autumn'

OW1902231292 Tokyo KYODO in English 2304 GMT 19 Feb 92

[Text] Tokyo, Feb. 20 KYODO—Japan will accept China's invitation for Emperor Akihito to visit China this autumn, a top Foreign Ministry official said Thursday.

Japan will convey the decision to Chinese Communist Party General Secretary Jiang Zemin, who is expected to visit Japan in early April, the official said.

Chinese Foreign Minister Qian Qichen called for a Japanese imperial visit during a meeting with Japanese Foreign Minister Michio Watanabe in Beijing in early January.

Jiang is expected to visit Japan from April 6 to 10 as part of events marking the 20th anniversary of the establishment of diplomatic ties between the two countries.

DPRK Nuclear Arms Development Proposal Viewed

OW2002142692 Tokyo NHK General Television Network in Japanese 1000 GMT 20 Feb 92

[Text] Commenting on North Korea's proposal to South Korea at the South-North Korea prime ministers' meeting today to adopt a joint resolution on the issue of Japan's nuclear arms development, the Foreign Ministry today noted that Japan is abiding by the three nonnuclear principles, and that it has accepted strict inspections by international organizations. It is unthinkable for Japan to develop nuclear arms, the ministry said.

The ministry expressed its displeasure, saying that by making such a proposal, North Korea may be trying to drive a wedge between the Japan-ROK friendly relations. The ministry intends to refute North Korea's stand on this issue in future talks on normalization of relations with North Korea.

Meanwhile, Chief Cabinet Secretary Kato spoke at a news conference this afternoon about the fact that North Korea proposed that North and South Korea jointly address the issue of Korean comfort women. He stressed the view that the Japanese Government's apology made previously toward the comfort women from the Korean peninsula was directed at all people of the entire Korean peninsula, including both South Korea and North Korea. On the question of compensating comfort women from North Korea, Chief Cabinet Secretary Kato said that this question is expected to be raised by North Korea in the Japan-North Korea normalization talks. He thus indicated the government's position that it will watch developments in future negotiations.

Official Rules Out 'Comfort Women' Compensation

OW1902232292 Tokyo KYODO in English 2306 GMT 19 Feb 92

[Text] Tokyo, Feb. 20 KYODO—Japan would be unable to pay direct compensation to Korean individuals who provided sex for Japanese soldiers at frontline brothels during World War II, a top Foreign Ministry official said Thursday.

The Japanese Government has not paid compensation to its own servicemen, civilian employees, or domestic war sufferers, said the official who spoke on condition of anonymity.

On Wednesday, Foreign Minister Michio Watanabe told the Diet that the government will consider taking some measures in response to demands from North and South Korea for payment of compensation for the so-called "comfort women." Watanabe did not specify, however, the nature of the measures.

Last month in Seoul, Prime Minister Kiichi Miyazawa offered apologies over the suffering caused a half century ago to tens of thousands of Korean women who were dragooned into Japanese Imperial Army brothels.

Historians say an estimated 100,000 to 200,000 girls and women, most of them Koreans, were sent during the war to serve as "comfort women" in military brothels located throughout occupied Asia.

Fishing Industry Asks Sweden To Drop Tuna Ban

OW2002135492 Tokyo KYODO in English 1324 GMT 20 Feb 92

[Text] Tokyo, Feb. 20 KYODO—A Japanese fishing industry delegation called on Sweden Thursday to withdraw its support for restrictions on international commercial transactions in bluefin tuna from the Atlantic Ocean.

The 20-member delegation handed a 40,000-signature petition to the Swedish Embassy seeking the nation's withdrawal of a proposal it plans to sponsor at the March 2-13 conference in Kyoto of member nations of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

The proposal, if accepted, would ban international trade in Western Atlantic bluefin tuna.

It is the third such petition from Japanese fishing interests and brings the total number of signatures to 70,000.

The petition includes signatures from members of fishing cooperatives from Hokkaido in Japan's north to Kagoshima in the south.

The Embassy's Minister (Political) Vollrath Tham told the delegation he would convey the contents of the petition to the Swedish Government.

But Tham told the press the International Commission for the Conservation of Atlantic Tunas (ICCAT), with which Sweden is not affiliated, has so far failed to conserve tuna species.

He said the response to the Japanese fishing industry's requests would be made clear next month in Kyoto at the CITES conference.

The Japan Tuna Association claims ICCAT-enforced quotas on Western Atlantic bluefin tuna catches are preserving the species, and the Swedish proposal is instigated by United States' sports fishing interests unable to persuade their own government to sponsor it.

Miyazawa Urges Kyowa Witnesses To Tell Truth

OW2002131492 Tokyo KYODO in English 1223 GMT 20 Feb 92

[Text] Tokyo, Feb. 20 KYODO—Prime Minister Kiichi Miyazawa on Thursday called on politicians implicated in the Kyowa bribery scandal to tell the truth about their suspected involvement.

"I hope my friend and predecessor, who are to be summoned as sworn and unsworn witnesses, will be able to respond to a request from the Diet, which sought their summoning and hearings from the standpoint of the Diet's high authority to investigate national politics," Miyazawa said.

Miyazawa was apparently referring to his senior faction ally, Jun Shiozaki, and Zenko Suzuki, a former premier and leader of the "Kochikai" faction now headed by Miyazawa.

Miyazawa made the remark at a House of Representatives budget committee meeting in response to a question from Shozo Kusakawa, a Komeito legislator.

Shiozaki, former director general of the Management and Coordination Agency, has reportedly acknowledged receiving 20 million yen to use his influence with Marubeni Corp. to preserve Kyowa Co.'s business relations with the major trading house.

Suzuki is reported to have received 160 million yen to accept the honorary chairmanship of an exclusive private club planned by Kyowa, a now-bankrupt maker of steel frames.

Miyazawa, however, spurned opposition demands that he persuade close ally Fumio Abe—now free on bail of 50 million yen—to resign as a House of Representatives legislator.

Abe was earlier indicted on charges of accepting [words indistinct]

Miyazawa said he feels responsible for the alleged involvement in the Kyowa affair of Abe, who was campaign fund-raiser for the Miyazawa faction until late 1991.

"As a politician responsible for the executive branch, I share the responsibility over criminal (law-related) treatments (for Abe)," he said.

In response to a question on a series of political scandals now rocking his 14-month-old administration, Miyazawa said, "I harbor misgivings over them."

"It is the urgent obligation to secure a political system which does not require large amounts of money," he said.

The prime minister appealed to opposition parties to join deliberations on a political reform bill, which he said the ruling Liberal Democratic Party (LDP) is drawing up for submission to the legislature.

Miyazawa requested that opposition parties consider the upcoming legislation seriously in the political reform council, a panel of representatives from the LDP and opposition parties.

Earlier in the day, Tatsuo Shinmori, a Social Democratic Party lawmaker, called on the government to start talks on compensation with a group of the victims of Minamata disease—an organic mercury-poisoning ailment stemming from eating fish polluted by mercury discharged from Chisso Corp. in Minamata.

The government disclaimed responsibility by denying the alleged failure to order a halt to waste-dumping into the sea.

Environment Agency Director General Shozaburo Nakamura replied, "the government will take the (recent) Tokyo District Court ruling (about the government's responsibility) and deal with the matter sincerely."

The Tokyo District Court ruled earlier in the month that the government should be held "politically responsibile" for the spread of the disease that affected thousands of villagers of the farming and fishing regions of Minamata.

Meanwhile, Foreign Minister Michio Watanabe warned that a possible breakdown in the Uruguay Round of global trade talks "would undermine the Japanese economy."

Watanabe, who has taken a parliamentary pounding due to his apparent acceptance of proposed tariffication, told the committee that if the international community "blames Japan for a breakdown of the Uruguay Round, the Japanese economy would be undermined."

Tanabe Says SDP Not To Take Budget 'Hostage'

OW2002075092 Tokyo KYODO in English 0655 GMT 20 Feb 92

[Text] Tokyo, Feb. 20 KYODO—Social Democratic Party (SDP) Chairman Makoto Tanabe promised his party will not "take hostage" the budget for fiscal 1992 to press its demands for investigation of scandals involving politicians.

Tanabe made the pledge in a meeting with Akira Yamagishi, leader of the Japanese Trade Union Confederation (Rengo), union officials said.

Yamagishi said a thorough investigation into corruption should be made but called on the SDP "not to take the budget hostage," they said.

The leader of the largest opposition party told Yamagishi that the ruling Liberal Democratic Party (LDP) is responsible for the delay in Diet business to discuss the budget.

The House of Representatives budget committee resumed its session Wednesday after a 15-day boycott by the opposition parties.

The LDP and opposition parties ended the impasse Wednesday by agreeing to summon former Prime Minister Zenko Suzuki and former State Minister Jun Shiozaki to testify before the Diet in connection with a bribery case involving Kyowa Co., a bankrupt steel-frame maker, and former State Minister Fumio Abe.

Abe has been indicted on charges of taking 90 million yen in bribes from Kyowa.

On another scandal involving Tokyo Sagawa Kyubin Co., a major trucking and parcel delivery firm, SDP Diet Administration Committee Chairman Tomiichi Murayama told reporters that the party will propose that opposition parties jointly submit a list of persons to be summoned for Diet testimony.

Democratic Socialist Party (DSP) Diet Policy Committee Chairman Atsushi Kanda agreed with the SDP proposal.

A large number of ruling and opposition parties politicians are allegedly implicated in the scandal involving the trucking firm. Three former executives of the firm have been arrested on suspicion of breach of trust.

Minister Denies Intervening in Test Results

OW2002115792 Tokyo KYODO in English 1050 GMT 20 Feb 92

[Text] Tokyo, Feb. 20 KYODO—Posts and Telecommunications Minister Hideo Watanabe on Thursday denied interfering in the selection process of applicants for university admissions in exchange for money from their parents.

"I swear I have never brokered in securing university admissions (for applicants)," Watanabe told a House of Representatives budget committee in response to a question by Kiyoshi Koiwai, a lawmaker of the No. 1 opposition Social Democratic Party.

However, Watanabe acknowledged he had instructed his former secretary to inform the families of such applicants of the results of their entrance examinations after the universities decided on the successful applicants.

He also admitted he received sums of money which "fell within social norms" from the applicants' families.

Watanabe's former secretary, Hideyuki Nagasawa, earlier said the minister received hundreds of millions of yen from the parents, mainly from his Niigata Constituency, in exchange for his influence over university executives with which Watanabe allegedly had connections.

Nagasawa told several newspapers and magazines his former boss accepted "remunerations" of up to 31 million yen per request for his intervention over the past 10 years.

Watanabe told the Diet session, "I have never informed (the applicants' families) of the results of the entrance examinations before the universities decided on the results."

"It is impossible to do such things," he said.

In a related development, Watanabe ruled out accepting further cash donations from the Recruit conglomerate, except for 8 million yen he had earlier acknowledged receiving from the scandal-ridden firm.

Recruit was at the center of the 1988-1989 shares-for-favors scandal that forced the resignation of former Prime Minister Noboru Takeshita.

Miyagi Prefecture By-Election Campaign Kicks Off

OW1902051392 Tokyo KYODO in English 0447 GMT 19 Feb 92

[Text] Sendai, Feb. 19 KYODO—Three contestants launched their campaigns Wednesday immediately after filing their candidacy in the March 8 Miyagi by-election for a House of Councillors seat.

The candidates are Hisashi Tsujihata, 34, backed by the Japanese Communist Party; Koki Hagino, 51, supported by the Rengo-No-Kai, a political wing of the Japanese Trade Union Confederation (Rengo), the Social Democratic Party (SDP), the Democratic Socialist Party, the United Social Democratic Party and the Progressive Party; and Nobuo Onodera, 66, backed by the Liberal Democratic Party.

The registration for an upper house seat, left vacant due to the death of SDP's Kazuo Kurimura, will be closed at 5:00 P.M. the same day.

Komeito earlier decided to have its supporters vote independently.

The point of contention in the by-election will be the liberalization of Japan's rice market as well as the political ethics issue in the wake of the cash-for-favors scandal implicating the now bankrupt steelframe manufacturer Kyowa Co. and former state minister Fumio Abe, observers said.

Miyagi is a noted rice-producing prefecture in northern Japan.

Money Supply Growth Said at Record Low Rate

OW2002031892 Tokyo KYODO in English 0258 GMT 20 Feb 92

[Text] Tokyo, Feb. 20 KYODO—Japan's broadly defined money supply in January grew at a record low rate of 1.8 percent from a year earlier to 507 trillion yen, down from December's 2.0 percent year-on-year growth, the Bank of Japan said Thursday.

It was the second consecutive monthly record low in the growth of the money supply—M2 (cash in circulation and time and demand deposits) plus certificates of deposit (CDs), central bank officials said.

The officials attributed the slower growth mainly to shifting of funds to postal savings, as well as to an increase in government's tax receipt, which pulled down money supply level in the private sector.

With the nation's economic slowdown accelerating, corporate demand for funds for capital spending remained sluggish and also contributed to the slowing trend, they said.

Planning Official Noda Concerned Over Slowdown

OW2002054792 Tokyo KYODO in English 0519 GMT 20 Feb 92

[Text] Tokyo, Feb. 20 KYODO—Economic Planning Agency Director General Takeshi Noda expressed concern Thursday over the nation's economic slowdown.

At a House of Representatives Budget Committee meeting, Noda said the economic slowdown is felt "considerably strong and also widespread."

Noda, stressing a need for early approval of the fiscal 1992 national budget plan to underpin the economy, said, "it is important to check corporate managers' confidence from deteriorating further."

At the same time, the agency head cited private-sector capital spending and consumer spending as factors to be carefully watched, which he expects could move firmly.

Referring to the current upward trend in corporate inventories, Noda showed optimistic views that excessive inventories may be reduced relatively quickly in view of firm consumer spending.

"Effects (of higher inventories) may drag on until the April-June period, but sentiment of overstocking could ease early in the next fiscal year," he said.

Meanwhile, Bank of Japan Deputy Governor Hiroshi Yoshimoto, attending the committee meeting as a witness, said the central bank will keep a close watch on future developments in inventory adjustment and capital spending.

Money Supply Not 'Accurate Indicator' of Trends

OW2002115292 Tokyo KYODO in English 1121 GMT 20 Feb 92

[Text] Tokyo, Feb. 20 KYODO—A growing number of officials within the Bank of Japan (BOJ) are attaching less importance to money supply as a factor in determining monetary policy, money brokers said Thursday.

The officials believe that money supply is no longer an effective tool in deciding monetary policy since it has fallen under the sway of interest rate deregulation, which means it is no longer a totally accurate indicator of inflationary trends, the brokers said.

The BOJ announced earlier in the day that Japan's broadly defined money supply (cash in circulation and time and demand deposits plus certificates of deposit) in January grew at a record low rate of 1.8 percent from a year earlier.

It was the second successive month that the money supply grew at a historically low rate. The growth rate in Japan's money supply has been declining steadily since cresting at 13.2 percent in April and May of 1990.

Money supply is a widely monitored indicator of economic and inflationary trends nine months down the road.

Up to now, the central bank's long-term objective has been to achieve noninflationary sustainable growth, which required the bank to control money supply growth in the medium-term.

But interest rate deregulation, which is having a major impact on money supply growth, has forced the BOJ to change its way of determining monetary policy, a broker at a major commercial bank said.

Money supply is the amount of funds in the private sector not held by financial institutions.

Money supply growth slackens when the economy deteriorates because firms restrain their investment in plant and equipment, which in turn leads to a decline in fund demand.

The relationship between the economy and the country's money supply has weakened in the process of financial deregulation, said an official of the BOJ's Research and Statistics Department.

Boj officials attribute the low money supply growth to a shift in funds to postal savings accounts and other financial instruments not included within the money supply statistics.

They also cite the deregulation of interest rates for a burgeoning number of financial instruments such as large-lot time deposits for the unstable money supply growth.

An official with the BOJ's Policy Planning Department said the anemic growth in the money supply cannot be said to accurately reflect the direction of the economy.

Regarding the slack money supply growth, BOJ Governor Yasushi Mieno has said at a number of recent press conferences that corporate financing is showing no signs of becoming tight despite the slow growth.

Securities Industry Work Force Decline Reported

OW1902102092 Tokyo KYODO in English 0859 GMT 19 Feb 92

[Text] Tokyo, Feb. 19 KYODO—The number of employees at brokerage houses decreased in 1991 for the first time since 1979 in the wake of the collapse of the bubble economy, the securities industry reported Wednesday.

The Japan Securities Dealers Association said the total work force in the securities industry stood at 156,558 as of the end of December last year, a decrease of 2,043 from a year ago.

It was the first year-on-year fall since the second oil crisis in 1979, the association said.

"Workers turned their backs on the industry in the wake of the burst of the bubble economy," said an association official.

"There is a possibility that more workers will quit in view of the recent financial scandals and securities market slump," the official added.

The number of workers employed by brokerage houses increased at an annual rate of about 10,000 after 1985 to reach about 158,000 at the end of 1990.

Bank Releases Report on Corporate Spending

OW1902111292 Tokyo KYODO in English 0908 GMT 19 Feb 92

[Text] Tokyo, Feb. 19 KYODO—Japanese businesses plan to spend 1.3 percent less money on plant and equipment in fiscal 1992, marking the first spending contraction in 15 years, according to a bank report released Wednesday.

The report, compiled by Nippon Credit Bank on a late-January survey of 1,565 companies, said there is little chance that corporations will revise spending plans upward within the next fiscal year as they try to reduce inventories built up due to an economic downturn.

Corporate investment in plant and equipment, or capital spending, is seen as a key to vigorous economic growth since it and consumer spending have served as the dynamos of the latest economic expansion.

The report put the pace of growth in corporate capital spending at 6.5 percent for fiscal 1991 ending March 31, the first single-digit annual gain in four years.

Looking ahead at fiscal 1992, the report painted a dim picture of capital spending in the manufacturing sector by projecting an 8.9 percent contraction after a 2.2 percent gain in fiscal 1991.

The report put the blame on a spending restraint in the electric machinery industry because of slack demand for consumer electric products and semiconductors as well as on slower spending by automakers and builders after years of massive spending.

But spending in the nonmanufacturing sector is seen growing at a faster pace as electric power companies and retailers remain bullish on investment, the report said, putting the pace of growth at 8.9 percent for fiscal 1991 and 2.4 percent for fiscal 1992.

Antigang Law Said To Threaten Human Rights

OW1902114492 Tokyo KYODO in English 1134 GMT 19 Feb 92

[Text] Kyoto, Feb. 19 KYODO—A new law aimed at restricting the activities of Japan's criminal gangs is a threat to human rights in the country, a leading member of the Japanese underworld said.

In an interview with KYODO NEWS SERVICE, Tokutaro Takayama, the 64-year-old head of the Kyoto-based, 2,000-member Aizu Kotetsu crime syndicate, spoke against the antigang law, due to take effect on March 1.

The National Police Agency hopes the new law will help restrict the activities of the Aizu Kotetsu and at least six other major gangs operating around the country.

Takayama, speaking at his gang's head office, said the new law infringed on human rights by singling out groups who "have done nothing wrong."

Takayama said that by making it possible to enter homes without a specific warrant, the law would infringe on property rights.

"The law will strengthen the power of the police and in the end, the citizens will suffer," Takayama said.

Takayama was a key figure in organizing a gathering of top level leaders from the three main nationwide gangs, Yamaguchi-Gumi, Inagawa-Kai and Sumiyoshi-Kai in September.

Asked if Takayama was considering transforming his gang into a political organization, he said the Aizu Kotetsu became a joint-stock corporation three years ago when it built its head office.

"We have no intention of camouflaging ourselves as a political organization," Takayama said.

"We'll fight (the police) open and on the level."

Takayama said the September gathering of gang leaders resolved to put a stop to any activities which might lead to disputes.

Asked what he thought of recent disputes between members of the Yamaguchi-Gumi and the Sumiyoshi-Kai in Kushiro in Hokkaido and Iruma in Saitama Prefecture, Takayama said the incidents did not reach the scale of a "dispute."

"In the old days, a thing like that wouldn't have stopped there," Takayama said.

"That's because we settled it at the (September) meeting," he said. "If members of the general public are hurt by a yakuza (gangster), we can hear from them and take the appropriate measures."

Hitachi Tests Superfast RISC Microprocessor

OW1902103792 Tokyo KYODO in English 0902 GMT 19 Feb 92

[Text] Tokyo, Feb. 19 KYODO—Hitachi Ltd. said Wednesday it has successfully tested an experimental reduced instruction set computer (RISC) chip which it claims achieved a peak processing speed of one billion instructions per second.

However, the major Japanese computer maker will not commercialize the microprocessor until sometime in the latter half of the 1990s, company officials said.

State-of-the-art RISC microprocessors in the market are used commonly in engineering workstations and have peak performances of about 50-100 million instructions per second (MIPS).

Digital Equipment Corp., a U.S. computer maker, has plans to announce worldwide February 25 its new "Alpha" RISC chip, which has been reported to deliver a peak power of 400 MIPS.

Peak performance is the fastest speed a computer system can achieve and it is reached for only a moment.

The central processing unit contains two processors, which hold two arithmetic units each, to achieve parallel processing and a speed of a billion instructions per second. Each arithmetic unit has a peak power of 250 MIPS.

Hitachi researchers built the device by packing about a million transistors onto an eight millimeter square chip using three metal fabrication technologies—0.3 micron bipolar, complementary metal oxide semiconductor (CMOS), and BICMOS.

The company will present its development at the international solid-state circuit conference in San Francisco this week, the officials said.

North Korea

Further Reportage on Sixth Round of N-S Talks

Yon Hyong-muk Speech Views Accords, Ties

SK2002110792 Pyongyang KCNA in English 1020 GMT 20 Feb 92

["Text" of keynote speech by Yon Hyong-muk, premier of the DPRK Administration Council and head of the North side's delegation to the sixth inter-Korean high-level talks at the second-day session held on 20 February in Pyongyang]

[Text] Pyongyang February 20 (KCNA)—Head of the North side's delegation Yon Hyong-muk, premier of the Administration Council of the Democratic People's Republic of Korea, made a keynote speech at the second-day session of the sixth inter-Korean high-level talks held today.

The full text of the speech is as follows:

Prime Minister Chong Won-sik and delegates of the South side,

Yesterday amidst the profound interest and great expectation of the fellow countrymen and the people at home and abroad we exchanged the documents endorsing the effectuation of the "Agreement on Reconciliation, Non-Aggression and Cooperation and Exchange Between the North and the South" and "Joint Declaration on the Denuclearization of the Korean Peninsula" which are of great significance in promoting peace in the country and national reunification and declared to the whole world the formal effectuation of the two documents.

And we signed and exchanged the text of the "Agreement on the Formation and Operation of Sub-Committees of the North-South High-level Talks" which had been reached at the contact of delegates for the implementation of the North-South agreement.

The adoption of the comprehensive and practical agreements which are tantamount in significance to the historic July 4 joint statement and cover problems of creating favourable preconditions for peace in the country and its peaceful reunification is a signal landmark and a great national felicity which has brought about the spring of reconciliation and the bright prospect of reunification on the land which has been frozen with distrust and confrontation for nearly half a century of national division.

Therefore, this time all the fellow countrymen in the North and South and abroad are again rejoicing over the good fruition equal to the July 4 joint statement just as they enthusiastically welcomed and rejoiced over the statement when it was published 20 years ago.

Now we are confronted with the important task to implement the agreements which have come into effect.

As a saying has it that beads are valued only when they are strung, however good the agreement may be, it can prove its worth only when it is put into effect. Otherwise it is as good as a useless paper.

Both sides should make efforts so that the valuable agreements which have been reached with much efforts are carried into effect smoothly and prove their worth.

A criterion of truth is not words but deeds. The process of implementing the North-South agreements will serve as a touchstone which will test their attitude to peace and reunification and their will to achieve them and fathom the trust between them.

In this light, with the effectuation of the North-South agreements, I am going to clarify our basic attitude for carrying them out correctly and promoting the independent peaceful reunification of the country.

The agreements which have come into force this time conclusively formulate the orientation and contents of the work to be carried out jointly by both sides.

Therefore, it will be enough for both sides to accept and carry out the contents of the agreements as they are. We, nevertheless, should foresee that difference of opinion and difficulties may arise in no small measure in the course of consultation and implementation of the agreements.

They may arise in the interpretation of the texts and the way of their fulfillment.

In this case, the three principles of national reunification—independence, peaceful reunification and great national unity—laid down in the July 4 joint statement serve as a yardstick for a most correct solution of the problems.

I think that is why both sides reaffirmed the three principles of national reunification in the preamble of the "Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange between the North and the South".

We are convinced that if we proceed from the three principles of national reunification reaffirmed by both sides we are fully capable of settling any difficult problems or difference of opinion in discussing and implementing the specific provisions of the agreements in the common interest of the nation and in favour of national reunification.

In order to fulfill the agreements with sincerity on the basis of the three principles of national reunification and accelerate reunification, it is important, firstly, to hold fast to the independent stand.

The independent stand is the basic stand to be adhered to in carrying out the North-South agreements and achieving national reunification.

The division of our country was not caused by the internal national factors but was forced by foreign forces. National reunification means to put an end to the domination and intervention by foreign forces and achieve national independence and national unity.

Apart from the independent stand any problem concerning national reunification cannot be settled to meet the interest and requirement of our nation and reunification is inconceivable.

Dependence on foreign forces leads to division and national ruin, while national independence leads to reunification and patriotism.

This time good agreements meeting the nation's desire and demand for reunification have been adopted and effectuated by both sides because they proceeded from the principle of national independence.

Whether they will display great viability in opening the door to national reunification depends on how the North and the South adhere to the principle of national independence.

Since the North and the South promised to the nation in the agreement to settle the question of national reunification with joint efforts of the nation in keeping with the trend of the time toward independence, it stands to reason to adopt the independent stand in settling the questions of peace and reunification with the internal efforts of the nation in the fulfillment of the agreement.

If we the very one responsible for reunification and the concerned parties deviate from the independent stand, we cannot implement the North-South agreements correctly.

The historic lesson of the past shows that if the concerned party of national reunification loses independence and relies on foreign forces, a North-South agreement, however good it may be, cannot be fulfilled properly.

Deviating from the independent stand naturally impairs the position and dignity of an equal party to the talks and undermines the credibility of a dialogue partner as a party with real power.

It is most important in adhering to the independent stand to abandon the wrong way of thinking such as attaching importance to reliance on foreign forces rather than on unity with fellow countrymen and striving to join hands with foreign forces for confrontation with fellow countrymen.

If one asks for "protection" of foreign forces and tries to rely on them one cannot avoid their interference and has to study their face and the fulfillment of the North-South agreements is bound to be affected by external factors.

Now that the situation surrounding our country has greatly changed and the North and the South have agreed not to invade each other, we should discontinue North-South confrontation, the product of the old way of thinking, and treasure unity with fellow countrymen and readjust the foreign relations of the time of confrontation in the light of national unity.

Since the North-South agreements have been adopted and come into force there is no ground to hesitate about the question of withdrawal of foreign forces.

We think the time has come to resolve the question of withdrawal of foreign forces and completely stop all the joint military exercises with the United States.

And the patriotic-minded people advocating opposition to foreign forces and independent reunification should be appraised and treated properly.

To imprison the people involved in the patriotic movement for independent peaceful reunification against dependence on foreign forces while professing to reunify the country independently apparently shows discordance between words and actions and can never be said to be a correct conduct from the national viewpoint.

If one really assumes the independent stand, one should not suppress these patriotic-minded people but actively support and encourage them.

National reunification can be achieved only in reliance on the forces of national independence, not on the foreign forces, the mastermind of national division.

We will adhere to the independent stand as in the past and reject foreign forces and solve the question of reunification depending on the forces of national independence.

Secondly, in order to implement correctly the North-South agreements on the basis of the three principles of national reunification and bring reunification earlier, it is important to adopt a correct stand of giving priority to the creation of pre- conditions for peaceful reunification.

Peace is valuable for everyone as a universal idea of mankind. Nothing is more valuable and urgent than peace for our nation who is constantly threatened by war and has the national historic task to achieve the peaceful reunification of the country.

If the military tension is aggravated and another war breaks out in our country over which dark clouds of war are hanging heavily, the existence of the nation itself will be endangered, to say nothing of national reunification. What is the use of reunification, cooperation and exchange after the country is ravaged and the nation is destroyed by war?

In order to implement the North-South agreements and advance toward reunification, the question of peace must be solved, to begin with.

Under the prevailing situation of national division and extremely acute military tension existing between the North and the South of the country the argument that this is possible and that is impossible with one-sided emphasis on exchange will lead to the maintenance of the status quo and make proper cooperation and exchange impossible.

All our endeavours for the implementation of the agreements should never be confined to the maintenance of the status quo but be devoted to the solution of the reunification issue from beginning to end.

In order to advance toward reunification it is inevitable to pass through the gate of peace, to begin with. The question of peace can be said to be the watershed deciding whether we head for reunification or maintain the status quo.

What is fundamental in the settlement of the issue of peace between the North and the South is the nonaggression agreement and the surest guarantee for the nonaggression agreement is armament reduction.

If the North and the South reduce armament in accordance with the nonaggression agreement, the internal source of menace to peace will be removed in our country and when durable peace is secured it will be possible for the North and the South to proceed forthwith to the solution of the reunification issue with real trust in the counterpart.

With the question of armament reduction coming to the fore, none openly opposes it. However, the attempt to relegate disarmament into the background while giving "priority to trust" or to act against disarmament while advocating "independent defence" or "self-reliant defence" can hardly be considered a sincere approach to arms reduction.

The North and the South should never proceed to arms expansion but immediately take steps to reduce them in accordance with the nonaggression agreement reached between them.

Another important thing for the solution of the question of peace is to convert the Korean peninsula into a denuclearized zone and make Korea completely free from the menace of a nuclear war.

The North and the South should fulfill their obligations and their responsibilities in accordance with the joint declaration on denuclearization so that our people may never be left a victim to a nuclear war and that a lasting peace be established on this land.

Proceeding from the peace-loving nature of our own and from the sense of national mission, we will in the future, too, attach primary importance to the question of peace and positively endeavour for its realization.

Thirdly, in order to honestly implement the North-South agreement on the basis of the three principles of national reunification and accelerate national reunification, it is important to assume the stand and attitude of settling all problems on the principle of great national unity.

Originally the question of national reunification is a question for the North and the South to reunify the split nation that is of the same blood, and achieve national unity.

That the whole nation live in harmony and in unity precisely means the national reunification which we want to achieve. Fundamental to national reunification is not the question of procedures and methods but to attain national concord and unity. That is why the great leader President Kim Il-song said that great national unity constitutes basic prerequisite to and the essential content of the independent peaceful reunification of the country and clarified that it is most important to achieve the great unity of our nation for the cause of national reunification.

The fundamental principle of great national unity is to give priority to the common interests of the nation and subordinate everything to the cause of national reunification.

Swayed by the narrow selfish interests and prejudices, one should not set the interests of certain social classes and circles before the national interests or set them against the issue of national reunification which concerns the interests of the whole nation.

To keep out or suppress fellow countrymen for difference in political view and ism or regard them with hostility for difference in ideology and social system is in fact an act of disrupting the nation.

Harmony and unity are the way out for our nation and the way of common prosperity of the nation and the way of reunification.

For national concord and unity it is necessary to remove all kinds of political and legal obstacles to them as early as possible.

Today when even the states and nations which were formerly hostile to or fought with each other are pursuing reconciliation, pulling down the barrier of idea and ideology, how can such an abnormal situation be tolerated as that the people of the same blood are labelled as enemy because of the difference in idea and ideology or are regarded as heretics because they met with fellow countrymen without "permission"?

It is a shame to the nation that the pseudo "laws" which legalize above-mentioned acts exist and separate kinspeople and break the ties of blood.

With these laws left intact, neither the atmosphere of reconciliation and unity can be created nor smooth implementation of the agreements be expected.

Now that with the effectuation of the North-South agreement the North and the South promised to recognize and respect the regime of the opposite side and effect free travel and contacts between the members of the nation, we consider that the laws which are inconsistent with reconciliation and unity must cease to exist. And I would like to emphasize once again that Rev. Mun Ik-hwan and coed Yim Su-kyong and other visitors to the North who are imprisoned under these laws should be set free as early as possible.

In the above, I have made clear our principled stand with regard to the implementation of the North-South agreement.

By implementing the North-South agreement faithfully both sides must add lustre to the historic significance of the North-South agreements as a programme for the acceleration of national reunification and deepen mutual trust so that the independent, peaceful reunification of the country may be accomplished at an early date on the basis of trust.

Delegates of the South side.

The North-South high-level talks which has been held six times including the current session since its first round, we may say, has done a great deal of work and achieved excellent results living up to the aspiration and expectation of the nation and, by so doing, has creditably fulfilled its duties of the first stage.

With the effectuation of the basic agreements we are confronted with more important tasks to ensure their successful implementation.

The high-level talks are not closed with the current session, but are going over to a stage of solving practical, concrete problems with enlarged setups for different sectors.

In this connection, I would like to set out our views on the principal tasks the North-South high-level talks should carry out in future. Firstly, it must postively promote the work of the subcommittees. Helping the subcommittees function in an active manner is essential for a smooth fulfillment of the agreements.

Th smooth implementation of the agreements mainly depends on how the subcommittes function and in future, our main efforts should be directed to ensuring the smooth running of the subcommittees. For this purpose, the high-level talks must give answers to the main disputes which may arise in interpreting the text of the agreements and with regard to the way of their implementation and properly coordinate them so that a concrete practical way of implementing the agreements consistent with their spirit may be perfected at an early date.

The high-level talks must establish lateral links between the subcommittees, properly readjust the points of agreement lest there be overlapping or a void and finally examine, confirm and endorse them.

Secondly, the joint committee should be run effectively.

The joint committee is an executive body for the implementation of the North-South agreement and the matters that are agreed upon and finalized at the subcommittees are put into practice through it.

Therefore, the proper operation of the joint committee is important in letting the points of agreement be implemented in time and prove their worth actually.

The high-level talks must regularly look into the affairs of the joint committee and positively help it so that the agreements reached between the sides be fulfilled correctly.

In order to settle the questions which may crop up in the operation of the joint comittee and in the fulfillment of the points of agreement, appropriate measures should be taken in time in the framework of the high-level talks or of the subcommittees.

At the same time, a joint nuclear control committee should be formed as envisaged in the denuclearization declaration, and due attention be paid to helping it fulfill its function satisfactorily.

Thirdly, it is necessary to lay down proper general precedures of agreement and its practice. How to finalize the agreement on the questions discussed at the subcommittees and what procedure is to follow in implementing it is an important matter which is decisive of success of our talks. In this connection we already proposed the general principle of package agreement and its simultaneous implementation at the second and third sessions of the talks.

Still now we consider that the principle of package agreement and its simultaneous implementation is a most reasonable way for the smooth implementation of the agreement.

Your former proposal that agreement should be reached and then implemented case by case may appear at first glance to be a short cut to the solution of the question. But it will rather delay the solution of the question since the sectors and problems which the sides want to tackle first with preferential interest differ from each other.

Moreover, since all provisions of the agreement are closely linked with each other, even in case an agreement is reached on one question, it is quite irrational and impossible in practice to implement the agreement immediately.

Of course, we have no objection to the suggestion that the questions of primary concern to both sides and the questions which can be discussed and agreed upon rather independently of other questions should be examined case by case and implemented immediately.

Fourthly, the high-level talks must discuss and solve important questions awaiting an urgent solution which may arise within the framework of the North-South agreement.

The questions which can be scarcely foreseen at present may crop up in the course of implementing the North-South agreement. Allowing for this, the provision providing for amendment is laid down in the North-South agreement.

The high-level talks must directly discuss solutions to important, pressing questions which may arise between the North and the South, bypassing the subcommittees, and foresee the amendment of the agreement, if necessary.

To this end, the North-South high-level talks should continue to develop in depth its work and accomplish its mission.

Delegates of the South side,

A series of complicated developments in the international arena today strongly urge the North and the South to defend jointly the national dignity and interests.

Some foreign forces that dislike the reunification of our country whip up confrontation between the North and the South, seeking to fish in troubled waters by taking advantage of the division of our country.

We should not leave such a state of affairs to take its own course any longer.

It does not coincide with the basic spirit of the agreement that we fall prey to such wedge-driving acts of foreign forces still today when the North and the South have promised to reconcile themselves and unite to each other.

In this connection, I would like to mention some problems arising in relations with Japan, the problems in which we should quickly take a joint step.

I shall begin with the problem of the "volunteer corps."

These days materials on the "volunteer corps" which was organized by the Japanese imperialists in the period of the Pacific war have been disclosed in succession and this has aroused the towering rage of the whole nation.

The Japanese imperialists reduced our country to their colony and even deprived Koreans of their family names and given names. Moreover, they drafted even little girls as "comfort girls for the Army" in their aggressive war and practised all manner of shocking vices against them. At this we can hardly repress our indignation.

The problem of "volunteer corps" does not concern the North or the South alone but it is part of the national sufferings and humiliation which were forced on our fellow countrymen by the Japanese imperialists in the period of their colonial rule.

That is why now all our compatriots in the North and the South and overseas unanimously condemn and denounce their shuddering brutalities and strongly demand formal apology and compensation from the Japanese Government.

We consider that at this juncture it is only natural for the authorities of the North and the South jointly to demand apology and compensation from Japan merging their voice into that of the 70 million fellow countrymen, as the people of the same blood who underwent sufferings and humiliation together and as the responsible government authorities in particular. The entire Korean people's demand as regards the problem of the "volunteer corps" cannot be disposed of through the litigation by individual victims and trials as the Japanese authorities contend nor it can be met, by nature, in a way of begging, placing one's hope on humanitarian considerations.

Our nation is the victim, so the authorities of the North and the South have the legitimate right to demand apology and compensation from Japan, the assailant, in the name of the nation.

Of course, we know that your authorities are handicapped in solving the problem of "volunteer corps" by the "agreement" they concluded with Japan.

This is shown by the fact that the Japanese Government authorities, invoking the "South Korea-Japan agreement", claim that they have nothing particular to settle with your authorities because they already settled all problems with South Korea.

However, that "agreement" is, as we rightly pointed out at the time when it was signed, an unjust and unfair one running counter to the will and interests of our nation and it cannot be recognized.

Not only us but the whole nation deemed it so.

The matter involving the problem of "volunteer corps" which has surfaced today when 27 years have passed since then clearly show how irresponsibly and rashly the "agreement" was concluded.

But we do not want to dig up bygones to tell right from wrong and have no intention to reverse them.

What we want is that in exacting apology and compensation concerning the problem of the "volunteer corps" you should not hesitate or try to hush it up noncommitally, wedded to that "agreement".

We think that if your side is really determined to exact apology and compensation from Japan, there is no reason why you cannot act in concert with us in settling this matter. If the North and the South join hands and jointly cope with the problem of the "volunteer corps", it will create a good precedent showing the will of the sides to implement the agreement which has come into force this time. This will please our people and make it difficult for the Japanese Government to shirk any longer its obligation to apologize and compensate.

We consider that this is the way of settling the deep-seated grudges nursed by the nation and wreaking the vengeance rankling deeply in the hearts of the fellow countrymen who suffered from 36 years of colonial rule of Japanese imperialists, and of responding to the voice of the 70 million people.

Another problem is to jointly counter Japan's scheme for nuclear armament.

These days Japan is putting greater spurs to nuclear armament, giving rise to concern at home and abroad.

According to materials, Japan has accelerated the development of nuclear weapons in many ways and, in order to possess more nuclear explosive, is going to procure plutonium of more than 100 tons enough to produce an enormous amount of nuclear weapons equivalent to those owned by nuclear super-powers at present.

At the same time, in addition to the enrichment and reprocessing facilities now in operation, Japan is promoting the building of a large reprocessing plant capable of producing more than 1,000 nuclear weapons a year.

Viewed in the light of nuclear technology and economic potentials of Japan, it is evident to anyone that she will soon become a nuclear power.

In this connection, we have already warned against Japan's nuclear threat.

At present, even the United States and its Western allies are voicing apprehensions as to Japan's nuclear armament and this becomes a serious topic also in the press of South Korea.

But, to our regret, your authorities alone do not clarify their attitude.

Your side made much ado about the nonexistent "nuclear threat" by your fellow countrymen. But you not only turn a blind eye to the nuclear threat of Japan which causes the world's apprehension but are going so far as to encourage Japan to bring forward the problem of "nuclear inspection on the North" as a precondition for the normalization of the relations between the DPRK and Japan. This is hardly understandable to any Korean.

To make a clamour about the nonexistent "nuclear threat of the North", not seeing the existent nuclear threat cannot be regarded as a sincere attitute of eliminating the nuclear danger threatening the nation and, moreover, to take a stand of confrontation with your fellow countrymen, joining hands with foreign forces, cannot be considered to be a proper conduct from the national point of view.

We think that your side should make clear your attitude, that is, whether you want to join hands with your compatriots and check the nuclear threat of foreign forces or whether you want to overlook the danger of foreign forces joining hands with them, and expose our people to a new nuclear threat.

If Japan is armed with nuclear weapons, the Korean peninsula, her neighbour, and our people living there will suffer the greatest disaster. When our nation, through a prolonged struggle, is going to cast off the nuclear yoke forced upon it from beyond the Pacific Ocean and lead a new peaceful life, looking up at a blue sky, Japan is sending dark clouds of nuclear threat across the Korean strait. We must never allow this state of affairs.

The North and the South should clearly see Japan's scheme of nuclear armament and make joint efforts to thwart it.

For this purpose, I solemnly propose that the sides deliberate at once on a countermeasure with regard to the problems of the "volunteer corps" and nuclear development of Japan and adopt a joint resolution of the authorities of the two sides.

I think that the resolution can be drafted at the contact of delegates and in this connection it is desirable to hold it as soon as possible.

I stress again that such an emergency measure is of great importance in defending national dignity and interests more firmly and promoting national reconciliation and unity between the North and the South and expect that your side will readily respond to our proposal.

Delegates of the South side.

With support and encouragement from the whole nation, our reunification train has already pushed aside the check-bar of division and has made a vigorous start.

The North and the South must never slow down or stop it but make it reach the terminal of reunification in the shortest period of time by the shortest cut.

Greater difficulties and ordeals than those we have undergone so far may stand in this course. If the North and the South act in concert and unite efforts, we can surmount them, however great they may be.

The North and the South have already accumulated precious experiences through repeated talks and gained the confidence that we can solve any difficult problem without fail, if we are united.

Ours is a proud nation that, already in the period when the world was divided into small countries to undergo constant changes, boastfully formed a unified state and defended it zealously in no less than 1,000 years though it suffered repeated foreign invasion.

Today we live separated from each other against our will but this is a passing phenomenon on all accounts and it is a necessity that our nation is united into one.

When our country is reunified, our nation will become a more dignified and mighty nation and our country appear on the world arena as a sovereign independent state with a population of more than 70 million, brilliant national culture and powerful economy.

The North and the South should redouble their sincerity and efforts so as to bring earlier the day when the whole nation will realize its dream of reunification and live together.

In conclusion I expect and am convinced that the agreement between the North and the South will be implemented effectively and a bright prospect for national reunification be opened.

Thank you.

Kim Il-song Addresses Delegates

SK2002051192 Pyongyang Korean Central Broadcasting Network in Korean 0300 GMT 20 Feb 92

["Text" of DPRK President Kim Il-song's talk on 20 February with members of the ROK and DPRK delegations to the premiers' talks in Pyongyang: "Let Us Open the Road of the Country's Peace and Reunification by Pooling the Strength of the North and the South"]

[Text] I am happy today to meet members of the delegations of the two sides who successfully have completed the sixth round of North-South high-level talks. I am very satisfied with and highly appraise the joint efforts that you have made until now, when the Agreement of Reconciliation, Nonaggression, Cooperation and Exchange Between the North and the South and the Joint Declaration of the Denuclearization of the Korean Peninsula have been validated. The effectuation of these two agreements is an epochal event that will become a milestone in achieving the country's peace and reunification.

With the effectuation of the North-South agreement and the joint declaration, the North and the South not only have greeted a new occasion for reconciliation, parting with a past dotted with distrust and confrontation, but also have been able to end the danger of war and to look ahead to a bright prospect for the country's peace and peaceful reunification. The oath that the North and the South have made not to fight against each other but to achieve reconciliation and cooperation, and, thus, to jointly advance toward reunification clearly shows that neither foreign forces nor differences in ideology and system can divide our nation, which has been of the same blood for several thousand years.

All compatriots in the North, the South, and overseas warmly support and welcome your success in the talks, regarding it as the nation's common success and as the historic success of the ideal of the nation.

With the current sixth round of North-South high-level talks as an occasion, our fellow countrymen have made a precious first step toward the country's independent and peaceful reunification. This step neither should falter nor be stopped, but should be linked to (?reunification) tomorrow. To do so, it is imperative first of all to adhere thoroughly to the independent stand. The division of our country caused by foreign forces should be ended by our nation's own strength.

Under the condition in which the country is divided into the North and the South, if one side relies on foreign forces and allows their interference, this is an attitude of confrontation, not an attitude for reunification. Under such an attitude of confrontation, the agreements between the North and the South cannot be implemented smoothly, and responsible and reliable dialogue cannot be expected between them.

Now that the two sides have promised to achieve reconciliation, they should end the state of confrontation, should not rely on foreign forces, but should trust fellow countrymen and rely on the nation's independent strength. The North and the South also should give priority to solving the peace problem and should take practical measures for guaranteeing the country's peace. The North and the South should suspend the arms race and realize arms reduction, because they have agreed on the issue of nonaggression. Herein lies the most reliable guarantee for nonaggression. Also, precisely herein lies the road of completely ending the apprehension of a northward or southward invasion.

The time has come when there is no need for foreign troops to stay in the country. The time has come when there are no conditions for foreign military bases in the country. I believe that now is the time for us to make a resolute decision on this matter.

The nuclear issue on the Korean peninsula also should be resolved. We are not sure whether nuclear weapons exist in South Korea or whether they have been withdrawn completely. Even today, such an uncertainty about the existence of nuclear weapons in South Korea does not end our serious fear that we have been under a nuclear threat for approximately 30 years.

As we have stated repeatedly, we do not have any nuclear weapons. Moreover, we do not produce and do not need to produce nuclear weapons. We do not at all intend to have a nuclear confrontation with powerful countries surrounding us. Furthermore, it is unimaginable for us to develop nuclear weapons, which can slaughter the fellow countrymen. Nobody can deny this.

It is the basic spirit of the North-South basic agreement to promote the nation's great unity. To achieve reconciliation and reunification, the North and the South should realize the nation's great unity by transcending differences of ideology and system. If we reject each other or regard each other as heretics simply because ideology and causes are different, it will, as a result, utterly disrupt the nation.

Every Korean person should put the nation's mutual interests before everything and concentrate on it entirely. We also should be united based on the devotion to our country and the nation's independent spirit. We should destroy barriers of ideology and system. We should deepen the nation's comprehensive and great unity, which can unite all people, and the spirit devoted to our country and to our people.

The texts of agreements which went into effect at the sixth round of the North-South high-level talks are the pledges which the responsible North and South authorities made before the nation. Considering the texts of agreements as valuable fruition achieved on the road toward the fatherland's independent, peaceful reunification, our republic's government will make all efforts to implement them.

I am confident that if the North and the South build up mutual confidence by putting the agreements into practice on the firm basis of the principles of independent, peaceful reunification and the nation's great unity, we will be able to bring greater joy to our people and to surely accomplish reunification during the 1990's, which all the people desire.

Finally, I hope that the North and the South will unite and open more vigorously the way toward the nation's peace and reunification. I also hope that you, the delegates of both sides, will achieve greater success in the future.

Denuclearization Declaration Issued

*SK1902153192 Pyongyang KCNA in English
1505 GMT 19 Feb 92*

["Joint Declaration on Denuclearization of Korean Peninsula"—KCNA headline]

[Text] Pyongyang February 19 (KCNA)—Following is the full text of "Joint Declaration on the Denuclearization of the Korean Peninsula" effectuated at the 6th inter-Korean high-level talks:

With a view to denuclearizing the Korean peninsula and thus removing the danger of nuclear war, creating conditions and environment favorable for peace and peaceful reunification of our country and contributing to peace and security in Asia and the rest of the world, the North and the South declare as follows:

1. The North and the South shall refrain from the testing, manufacture, production, acceptance, possession, stockpiling, deployment and use of nuclear weapons.

2. The North and the South shall use nuclear energy only for peaceful purposes.

3. The North and the South shall not possess nuclear reprocessing and uranium enrichment facilities.

4. The North and the South shall make an inspection of objects chosen by the other side and agreed upon between the sides through procedures and methods

defined by the North-South joint committee of nuclear control in order to verify the denuclearization of the Korean peninsula.

5. The North and the South shall form and operate the North-South joint committee of nuclear control within one month after the publication of this joint declaration in order to implement it.

6. This joint declaration shall take effect from the day of exchange of its texts between the North and the South through procedures necessary for their effectuation.

[date] February 19, 1992

[signed] Yon Hyong-muk, premier of the Administration Council of the DPRK and head of the North side's delegation to the inter-Korean high-level talks

[signed] Chong Won-sik, prime minister of the Republic of Korea and head of the South side's delegation to the inter-Korean high-level talks

Effectuation Document on N-S Agreement

SK1902134792 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 19 Feb 92

[Text] The following is a document on the effectuation of the Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange Between the North and South that was exchanged at the sixth North-South high-level talks:

ROK [taehanminguk] Prime Minister Chong Won-sik, senior delegate to the North-South high-level talks:

I notify you that procedures for the effectuation of the Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange Between the North and South have been completed as President Kim Il-song, DPRK head of state, ratified this agreement, which had been adopted at the fifth North-South high-level talks and deliberated on by a joint meeting of the DPRK Central People's Committee and the Supreme People's Assembly Standing Committee.

[date] 19 February 1992

[signed] Yon Hyong-muk, premier of the Administration Council of the DPRK and head of the North side's delegation to the inter-Korean high-level talks

Effectuation Document on Denuclearization

SK1902140392 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 19 Feb 92

[Text] The following is a document on the effectuation of the Joint Declaration on the Denuclearization of the Korean Peninsula that was exchanged at the sixth North-South high-level talks:

ROK [taehanminguk] Prime Minister Chong Won-sik, senior delegate to the North-South high-level talks:

I notify you that procedures for the effectuation of the Joint Declaration on the Denuclearization of the Korean Peninsula have been completed as President Kim Il-song, DPRK head of state, ratified this agreement, which was adopted on 20 January 1992 by the North and South and deliberated on by a joint meeting of the DPRK Central People's Committee and the Supreme People's Assembly Standing Committee.

[date] 19 February 1992

[signed] Yon Hyong-muk, premier of the Administration Council of the DPRK and head of the North side's delegation to the inter-Korean high-level talks

South's Views on National Security Law Cited

SK2002061392 Pyongyang KCNA in English 0529 GMT 20 Feb 92

[Text] Pyongyang February 20 (KCNA)—South Korean people, pleased with the effectuation of the documents of agreements at the 6th inter-Korean high-level talks held in Pyongyang, are demanding the abrogation of the "National Security Law" [NSL], according to a radio report from Seoul.

Seoul citizens saw a TV screen showing the effectuation of the North-South agreement and other documents at the inter-Korean high-level talks on February 19 and said with unalloyed joy that the North and the South have embarked upon the road of reunification 47 years after the division.

Marketeers in Tongdaemun and Namdaemun wept glad tears over the heads of the North and South delegations exchanging the documents.

Reporting about it, the radio said that citizens who saw the scene showing the effectuation of the North-South agreement were much pleased with the fact that a foundation for reunification was laid and hoped for early realisation of free travel between the North and the South.

In the meantime, the chiefs of dissident organisations who were staging sit-in strikes in demand of the release of visitors to the North including Rev. Mun Ik-hwan and coed Yim Su-kyong and prisoners of conscience in 27 prisons throughout South Korea expressed satisfaction with the effectuation of the agreements and urged their immediate release and the abolition of the "NSL."

The headquarters of the All-People Struggle for the Abrogation of the "NSL" released a statement on Feb. 19 and demanded that under the present situation in which the North-South agreement has come into force, the 'government' immediately abrogate the National Security Law barring the freedom of ideology and expression and the freedom of conscience.

A rally and a sit-in strike demanding the abrogation of the "NSL" and the release of prisoners of conscience were staged in front of the Chongju Women's Prison on February 19.

Mother Kim Chong-un of woman student Yim Su-kyong, the "flower of reunification," and the members of the Family Movement for Realising Democracy in South Korea (Mingahyop) took part in the struggle.

Noting that the inter-Korean talks are under way and an atmosphere of reconciliation between the North and the South is being created with the agreement effective from today, but none of the prisoners of conscience who conducted the reunification movement has been set free, they demanded that the National Security Law barring the reunification movement be abolished and all prisoners of conscience released.

Kim Chong-un who is continuing a hunger strike from the 18th of February pointed out: My daughter in the Chongju Women's Prison will join the prisoners of conscience in the struggle for the abolition of the "National Security Law" and I am keeping up an indefinite hunger strike with a view to sharing pains.

Koreans Urged To Contribute to Reunification

SK1801002892 Pyongyang KCNA in English 1007 GMT 17 Jan 92

[Text] Pyongyang January 17 (KCNA)—NODONG SINMUN in a by-lined article today calls upon all the Koreans in the North and South and abroad to make tangible contributions to the cause of national reunification as members of the Korean nation.

The article quotes the great leader Comrade Kim Il-song as saying in his New Year address:

"Broad sections of the fellow countrymen in the North, in the South and abroad must, as members of the Korean nation, make tangible contributions to the cause of national reunification, those who have strength by giving strength, those who have knowledge by devoting knowledge and those who have money by donating money, according to their respective capabilities and conditions."

The article says:

All the political parties, public organizations and broad sections of people in the North and South and abroad must support and encourage each other and take joint steps in the struggle to reunify the country according to their respective capabilities and conditions and make tangible contributions to the cause of national reunification, the cherished desire of the nation, by their strength, knowledge and money. A matter of prime importance here is to check and frustrate the home and foreign separatist forces' moves for a permanent national division and new war.

All the Koreans in the North and South and abroad must vigorously wage various forms of joint struggle to thwart and frustrate in every step such moves for a permanent division and a new war of the separatist forces at home and abroad which are committed under the cloak of "peace" and "reunification" and terminate the U.S. forces' occupation of South Korea, the main stumbling block lying in the way of national reunification.

If the Koreans in the North and South and abroad are to make tangible contributions to the cause of national reunification, they should achieve an organizational unity of all the political parties, public organizations and bodies and people of all social standings.

The National Alliance for the Country's Reunification (NACR) which came into being according to a decision of the " '90 Pan-National Rally" is a patriotic organization of reunification movement of the Koreans in the North and South and abroad whose mission it is to achieve the national reunification on the basis of the three principles— independence, peaceful reunification and great national unity.

All the Koreans in the North and South and abroad who have the patriotic will for reunification—workers, peasants, students, intellectuals, religionists and conscientious national capitalists—can form a strong driving force of reunification and successfully accomplish the cause of national reunification when they are rallied behind the NACR and cooperate and unite with each other, bringing their peculiar capabilities into full play.

If the Koreans in the North and South and abroad are to make tangible contributions to the cause of national reunification, they should frequently make contacts and travels and actively develop dialogue.

In realizing free travel, contact and wide-range dialogue it is important to remove all the political and legal obstacles to them in South Korea.

The South Korean students and other people must vigorously struggle for the immediate abolition of the "National Security Law," an anti-communist fascist law, for the release of all the detained patriots who fell victim to the evil law and for reunification through alliance with communism and the North.

Today nothing is more honorable and worthwhile than devoting ourselves to the cause of national reunification as members of the Korean nation, the article says, adding: Those who have contributed to the sacred cause of national reunification by their strength, knowledge and money will be loved and respected by the nation and highly appraised in the name of a reunified motherland.

U.S. Holds Air Exercises 17-19 Feb

SK2002054192 Pyongyang KCNA in English 0459 GMT 20 Feb 92

[Text] Pyongyang February 20 (KCNA)—The U.S. Pacific Airforce Command sent formations of fighter-bombers and assault planes such as F-15, F-16 and A-6 to the skies above South Korea on February 17 and 18 to stage large-scale aerial war exercises in coordination with fighter planes of the U.S. Airforce stationed in South Korea, according to military sources.

Pacific-based fighter planes and fighter-bombers, assault planes and transport planes deployed in South Korea, more than 600, were mobilized in the war games.

On February 18, the U.S. imperialists sent formations of Pacific-based C-130 and C-141 transport planes to an operational zone of South Korea for an exercise of airlifting combat supplies.

From February 17 to 19, they let a U-2 high-altitude strategic reconnaissance plane make repeated flights from the east to the west along the Military Demarcation Line for aerial espionage on the strategic in-depth areas of the northern half of Korea.

The aerial espionage the U.S. imperialists committed against the northern half of Korea with U-2 high-altitude strategic reconnaissance plane and RV-1 and other tactical reconnaissance planes numbered 120 cases during the first 15 days of February.

South Korea

Reports on Premier Chong Won-sik's Pyongyang Visit

'Gist' of Talks With Kim Il-song

SK2002093292 Seoul YONHAP in English 0850 GMT 20 Feb 92

[Text] Pyongyang, Feb. 20 (YONHAP)—South Korean Prime Minister Chong Won-sik and his delegation to the sixth inter-Korean prime ministerial talks met with North Korean President Kim Il-song at Kim's Kumsusan Uisatang Office in Pyongyang for 95 minutes from 11:05 a.m. Thursday.

Following is the gist of their discussions during the meeting, which included lunch:

Prime Minister Chong (looking at Kim Il-song): You seem healthy and energetic. It is somewhat surprising.

Kim Il-song: Yes, I am in good health. Now let us eat lunch amicably as members of the same family, discarding diplomatic formality.

Chong: Thank you for your warm hospitality....

Chong (pointing to a rice cake on the table): In the past, the custom here was to cut rice cakes in big sizes. But why are these so small?

Kim: in general, they are still big here. These were made small for the convenience of special guests like you. I hear you were born at Chaeryong, near here. Rice from that area is especially good. The Korean people's urge is to eat rice and beef soup and live in a house with a tile roof. Of the three, eating rice was rated the most important. How is your age compared to that of Premier Yon Hyong-muk?

Yon: Prime Minister Chong is four years older than me....

Yon: The air in Seoul is bad.

Kim: Is that because there are many factories?

Chong: It is also because there are many cars.

Kim: It must be a big problem if everybody has a car. As I tell Premier Yon from time to time, I can permit electric cars but not gasoline cars, which are apt to cause lung cancer. An electric car is slow, but economical.

I heard from some Japanese visitors that almost everyone living in apartments on the third floor or higher have holes in their lungs due to air pollution. Electric cars would be good, but I am against gasoline vehicles. People can use buses, trams or subways instead.

Kim: Is there snow on Cheju island?

Chong: Yes, on Mt. Halla, but in the low areas there are evergreens and coconut trees.

Kim: If coconut trees are there, does it mean Cheju belongs to the tropical zone?

Chong: Though there are coconut trees, they do now grow well.

Kim: Then it must be a subtropical area. Chonji Lake atop Mt. Paektu has a hot spring. Youth assault corps members placed a pipe there so that people can drink the water. It is said that the hot spring is very good.

Chong: Some of my delegation members say it would be good to have a chance to visit Mt. Paektu during our next visit here.

Kim: If you want to go to Mt. Paektu, it should be done in August. Otherwise, you will hardly see the mountain top due to the unpredictable weather. When is the next meeting? How is it if the meeting after next is held at Mt. Paektu?

Chong: Since the seventh meeting is to be held in Seoul in May, the eighth could be held at Mt. Paektu.

Kim: Seoul will be good in May since it is not hot. Well then, let us go to Mt. Paektu in August. We shall have to go by plane. Construction is under way there to prepare for the 1995 Winter Asiad, but who cares. If the prime ministers meeting goes well, we should develop tourism. We have many scenic mountains here like Paektu, Kumgang, Myohyang and Kuwol. As the previous meeting progressed well, some rich people from the South came here and expressed their willingness to invest. Chairman Kim U-chung (of the Daewoo Group) told me he would invest in Mt. Kumgang. Chong: Tourism is a big source of foreign exchange. Kim: Those foreigners who have seen Mt. Kumgang say they want to come again. Now Russia and Ukraine are at odds over ownership of the Crimean peninsula, but even this Crimean peninsula is no match for the beauty of Mt. Kumgang. I hear that Chong Chu-yong gave up business and started politics. Kim's aide: Yes, he founded a political party. Kim: Is politicking better than business? I suspect he may soon find there are many problematic things in politics. I fear he can hardly feel easier as a party president than in business.

Kim Il-song Issues Statement

SK2002085792 Seoul YONHAP in English 0745 GMT 20 Feb 92

[Text] Pyongyang, Feb. 20 (OANA-YONHAP)—North Korean leader Kim Il-song issued a statement Thursday on Korean unification and nuclear issues in a meeting with the South Korean delegation to the prime ministers' talks.

Kim did not mention an inter-Korean summit or pilot and mutual nuclear inspections.

Neither Kim nor South Korean Prime Minister Chong Won-sik initiated talk on an inter-Korean summit during the 95-minute meeting, which included lunch, South Korean officials said.

"As has been already said, North Korea does not have nuclear weapons, we are not making them, and there is no need for us to make them," Kim's statement said.

Chong said in response that the nuclear problem was the key to implementing the inter-Korean agreements.

"We have proposed pilot and simultaneous nuclear inspections so that North Korea can clear itself of suspicions that it is developing nuclear arms," Chong said.

The South Korean delegates met with Kim at Kumsusan Palace at 11 a.m., right after concluding the second and final session of the sixth prime ministerial talks.

"I announce a statement, since (South Korean) President No Tae-u made an announcement on effectuation of the inter-Korean agreements," the North Korean leader said.

The statement had not been scheduled.

South and North Korea put into force Wednesday the Agreement on Reconciliation, Nonaggression, exchanges and cooperation, the joint declaration on a nuclear-free Horean peninsula, and the agreement on formation of three subcommittees.

There was no way of knowing whether nuclear weapons had indeed been withdrawn from South Korea, Kim said, calling it unthinkable to develop weapons that could annihilate one's own brethren.

The president demanded the withdrawal of all U.S. troops from South Korea, saying there was no reason for their presence.

"The time has come for us to make a decision on this matter," he said.

He emphasized economic cooperation, suggesting the two sides initiate a joint tourism business.

The eighth round of high-level talks should be held in August near Mt. Paektu, when the weather is at its best around the mountain, he said.

The seventh round is set for May 5-8 in Seoul.

South Korean spokesman Yi Tong-pok said after the closed-door session that the venue for the eighth round was virtually decided as Mt. Paektu.

"The ninth round could possibly held on the South Korean island of Cheju in this case," Yi said.

North Korean spokesman An Pyong-su told a separate press conference that Pyongyang proposed cross-visits by joint cultural troupes and permanent cancellation of South Korea-U.S. military exercises.

Seoul's officials did not respond, An said.

Meets With Counterpart

SK2002030792 Seoul YONHAP in English 0247 GMT 20 Feb 92

[Text] Pyongyang, Feb. 20 (OANA-YONHAP)—South and North Korea agreed Thursday to hold their next prime ministerial talks May 5-8 in Seoul and set the dates for the first meetings of their Political, Military and Exchanges and Cooperation Subcommittees.

The Political Subcommittee will meet March 9, the Military Subcommittee March 13 and the Exchanges and Cooperation Subcommittee March 18, all in the truce village of Panmunjom.

Seoul and Pyongyang will exchange lists of committee members March 6.

The two sides will meet Feb. 27 at Panmunjom to discuss the formation and operation of the Joint Nuclear Control Commitee (JNCC).

Prime Ministers Chong Won-sik of the South and Yon Hyong-muk of the North emerged from a closed-door session on the second day of the sixth high-level talks here with these announcements.

Chong proposed that Seoul and Pyongyang hold four regular high-level talks a year and hold additional meetings whenever necessary.

Yon proposed that the two sides adopt a joint declaration on "comfort girls," the young Korean women used as labor and sex slaves for Japanese soldiers during

World War II, and on Korea's concern over Japan's possible development of nuclear weapons.

The North Korean premier said officials should meet soon to work on the declaration.

The premiers opened Thursday's session with keynote speeches. Chong urged North Korea to clear any suspicion about its nuclear arms development.

Chong demanded that Pyongyang ratify as soon as possible the nuclear safeguards accord, reveal specific dates on when it will open its nuclear facilities to outside inspection, accept South-North pilot inspections and reach an early agreement on JNCC formation and operation.

He urged that the two sides arrange hometown visits for at least the aged members of families separated since the division of the Korean peninsula in 1945.

North Korea's Yon demanded a complete pullout of U.S. troops from South Korea, permanent cancellation of the annual South Korea-U.S. military exercise "Team Spirit," and release of South Korean dissidents jailed for visiting North Korea.

Chong and other South Korean delegates headed for Kumsusan Palace for a meeting with North Korean President Kim Il-song and a luncheon.

Chong and Kim are set to discuss arrangement of an inter-Korean summit and nuclear issues.

Gives Dinner Speech

SK2002125392 Seoul YONHAP in English 1240 GMT 20 Feb 92

[Text] Pyongyang, Feb. 20 (YONHAP)—South Korean Prime Minister Chong Won-sik told delegates to the sixth round of the inter-Korean high-level talks Thursday that there would be no genuine peace on the Korean peninsula without freeing people from the fear of war and nuclear terror.

Speaking at a dinner hosted by chairman Yang Hyong-sop of the Standing Committee of the North Korean Supreme People's Assembly, Chong called on North Korea to ratify the nuclear safeguards accord it signed with the International Atomic Energy Agency as soon as possible and open nuclear facilities to an immediate outside inspection.

"We believe a South-North joint nuclear control commission should be established as soon as possible and that, prior to the establishment of the commission, mutual pilot nuclear inspections should be conducted," Chong said.

Reviewing the high-level talks, Chong said the talks would go down in history as having produced significant and excellent units, bringing into force the Agreement on Reconciliation, Nonaggression and Exchanges and Cooperation and the Joint Declaration of the Denuclearization of the Korean Peninsula.

It was the first achievement South Koreans have attained in accordance with the principle that the South and the North must solve their problems themselves, the minister said.

High-Level Contacts Fail To Narrow Differences

SK2002010492 Seoul YONHAP in English 0044 GMT 20 Feb 92

[Text] Pyongyang, Feb. 20 (YONHAP)—South and North Korean delegates to the sixth round of inter-Korean high-level talks failed to narrow differences in their opinions regarding nuclear control Wednesday and decided to discuss the matter at the truce village of Panmunjom on Feb. 27.

Yim Tong-won and Kong No-myong of South Korea and Choe U-chin and Kim Yong-chol of the North talked about the formation and operation of the Joint Nuclear Control Committee (JNCC) for three hours and 40 minutes at Paekhwawon Guesthouse, but could not iron out their differences.

The Southern delegates proposed pilot inspection of one nuclear site on each side of the divided peninsula, but the Northern delegates said all U.S. bases in South Korea should be open to inspection if the nuclear facilities in Yongbyon were to be inspected.

South Korea suggested the pilot inspection be carried out within one month after the JNCC agreement is signed and effectuated.

The South offered to stipulate in the agreement that the two sides should agree on the selection of sites for simultaneous, overall inspection and the method of inspection within one month after the JNCC's first meeting.

North Korea said it would stick to the agreement on a nuclear-free Korea to form the JNCC and hold its first meeting within one month and it would suggest its own formula at the Feb. 27 contact in Panmunjom.

During Wednesday's meeting, South Korea raised the issue of exchanging visitors, particularly members of separated families, but North Korea said it would not discuss the matter unless the South returned Yi In-mo.

Yi, a North Korean journalist, was arrested during the Korean war for partisan activities and has remained in prison because he refuses to renounce communism.

Unification Official on North-South Agreements

SK2002015492 Seoul THE KOREA TIMES in English 20 Feb 92 p 2

[Text] It took less than 20 minutes to put into force the accords on rapport and denuclearization in Pyongyang yesterday. But South and North Korea have spent 45 years trying to strike a deal on a peace framework, a period dotted by a hot war, lingering hostility, stop-and-go contacts and recent thaws.

The Agreement on Reconciliation, Nonaggression, and Exchanges and Cooperation provides for the formation of three committees in the political, military, and exchanges and cooperation spheres for which both sides yesterday laid the formal groundwork, in addition to a liaison office which will largely function as an embassy.

The Joint Declaration for the Denuclearization of the Korean peninsula will, on the other hand, stamp out worries about mushroom clouds in the Northeast Asian region.

Most analysts and government officials admit that the two documents have set the stage for the transformation of the hitherto bitter enmity into a partnership.

They are not yet assured that the brief ceremony will bring peace and stability to this volatile part of the world, a heavily fortified peninsula with both sides obsessed with distrust and animosity, in one stroke.

"It is like building a house, called reunification, we have just cleared the site. How large a house we will build and when it is built will be determined by how much efforts we exert next time," a top official at the Unification Board said.

North Korea watchers at the government agency remain skeptical about Pyongyang's feeling behind the signing of the two documents and putting them into effect concerned that their implementation might hit a snag due to pending nuclear issues.

On the eve of the ceremony, the Supreme People's Assembly (Parliament) Standing Committee shelved its action on a nuclear safeguards agreement which the North signed on Jan. 31 after a long delay, passing the agenda to a plenary session which North Koreans said would be called in early April.

The Seoul officials, in conventional reasoning, deemed it a "tactic" to put off permission for international inspection of its nuclear facilities. Pyongyang completed domestic procedures for the ratification of the reconciliation and denuclearization pacts in 13 and 16 days.

Under the North Korean Constitution, President Kim Il-song's endorsement is the final approval for the safeguards agreement with the International Atomic Energy Agency [IAEA] and no parliamentary action is required, they pointed out.

"We cannot but suspect that the North might try to postpone IAEA inspection till it finishes its nuclear program. Pyongyang can borrow considerable time before IAEA experts are admitted," one official explained. The North had earlier promised to ratify the IAEA protocol before the start of the current prime ministers' talks.

IAEA checks start six months after domestic procedures for the agreement end. Washington intelligence agencies predicted that the North could produce nuclear weapons in one or two years, while Seoul officials, upset by the North's protraction, fear the possibility that the North's possession of nuclear arms may be imminent.

The South Korean delegation will express "deep regrets" over the delay and press for a prompt opening of its nuclear installations in a closed-door session today, South-North dialogue strategists here said.

It will also urge Pyongyang to come to consent on practical arrangements for the establishment of a joint nuclear control commission under the provision of the denuclearization declaration this time.

The nuclear commission, designed to map out schemes for simultaneous inspections of civilian and military nuclear facilities by the other side, among others, is to be organized by March 19, as the declaration stipulates. But two delegates from each side failed to draw a framework for the body in their three rounds of meetings last and early this month.

A high-ranking government official warned of no progress in implementing the reconciliation and denuclearization pacts without a solution to the nuclear question over which the United States and Japan, keenly interested in the security of the peninsula as well as their own, are also deeply concerned.

The settlement of the nuclear issue is also a prerequisite to the arrangement of a summit between Presidents No Tae-u of the South and Kim Il-song of the North.

In the context of the still precarious inter-Korean relationship, it holds great implications that South Korean Prime Minister Chong Won-sik noted in his address at a banquet Tuesday that "written pledges alone will never bring peace or unification.

"It is obvious that sincere and smooth implementation of the written accords is the key to genuine reconciliation and cooperation and will open the path for the long march to peaceful unification."

North UN Envoy Attends Farewell for Counterpart

SK2002090692 Seoul YONHAP in English 0741 GMT 20 Feb 92

[Text] United Nations, Feb. 19 (YONHAP)—Pak Kil-yon, North Korean ambassador to the United Nations, attended a farewell reception for No Chang-hui, his South Korean counterpart, on Wednesday evening.

Pak bade farewell to No, who returns home this weekend to take up a new post, and they talked for about 40 minutes with other diplomats at the party.

The appearance of the North Korean diplomat coincided with talks between the prime ministers of the two Koreas in the North Korean capital of Pyongyang.

North Korean diplomats rarely attend the parties or receptions thrown by their South Korean counterparts.

Inter-Korean Tourism Ventures Take Shape

SK2002060992 Seoul YONHAP in English 0543 GMT 20 Feb 92

[Text] Seoul, Feb. 20 (YONHAP)—Inter-Korean cooperation in the tourism sector is taking concrete shape with an agreement by travel agencies on exchanges and joint-venture projects.

A South Korean tourism company agreed with a North Korea-Hong Kong joint venture in Macao last weekend to exchange information and officials and seek joint ventures, according to sources here.

The unidentified South Korean company and the joint venture, Cho-o International Tourism Co., also decided to jointly develop tours covering both halves of the divided peninsula.

The company promised Cho-o that it would encourage tourists to South Korea to also visit North Korea and that it would take part in projects to expand tourism facilities in the North, the sources said.

It was agreed to put the plans into action when the two Korean Governments work out a concensus on tourism cooperation.

During the contact in Macao, the company proposed offering tours of the two Koreas passing through the truce village of Panmunjom, using its own buses because of the lack of capacity at Pyongyang's Sunan Airport, the shortage of tour buses in the North and the limitations on train travel.

Lotte Travel Service contacted North Korean tourism officials via Japan last year with government permission, and Aju Tourist Service, Seil Travel Service and others followed suit.

The overseas travel fair organizing committee met with North Korean officials in May 1991 to invite North Korea to a travel fair in the South. Seil produced a North Korean package tour last month.

Cho-o was established in Macao last year as a joint venture between North Korea's state-run International Tourist Bureau and a Hong Kong firm. To ease its foreign currency shortage, North Korea is seeking tourists from nations such as Hong Kong, Taiwan, Thailand.

North Delegation Seeks Joint Ventures in Germany

SK1402062792 Seoul YONHAP in English 0540 GMT 14 Feb 92

[Text] Berlin, Feb. 14 (YONHAP)—North Korean Deputy Prime Minister Kim Tal-hyon is visiting Germany as head of an economic mission to seek joint ventures and buy equipment, diplomatic sources here said Friday.

A North Korean diplomat confirmed that Kim arrived in Berlin earlier this week, but refused to reveal his schedule.

The delegation is meeting with German businessmen to discuss joint ventures, purchases of power generating equipment, tourism and construction, according to the sources.

They have reportedly contacted the Siemens Group about buying a thermoelectric power station. Because of North Korea's chronic electricity shortage, construction of a thermoelectric power station was also a key talking point when vice external economic affairs minister Kim Chong-u led an economic delegation to Germany a year ago.

North Korea is also involved in negotiations with private tour companies in Germany on joint ventures, the sources said.

Defense Minister at Launching of Naval Escort

SK2002062192 Seoul YONHAP in English 0602 GMT 20 Feb 92

[Text] Seoul, Feb. 20 (YONHAP)—A new class of naval escort built by Hyundai Heavy Industries Co. in Ulsan was launched by Defense Minister Choe Sae-chang on Thursday, the Defense Ministry said.

The Korea-class Pusanham is packed with high-tech gadgets and was built solely with Korean labor and knowhow for operation in coastal waters.

Adm. Kim Chol-u, chief of naval operations, the mayor of Ulsan and ranking military officers also took part in the ceremony.

DP Demands Repeal of National Security Law

SK2002062992 Seoul YONHAP in English 0552 GMT 20 Feb 92

[Text] Seoul, Feb. 20 (YONHAP)—The main opposition Democratic Party demanded the repeal of the National Security Law and the release of prisoners of conscience Thursday to facilitate inter-Korean exchanges.

"As substantial progress is expected in inter-Korean exchanges and cooperation with effectuation of the basic South-North Korean agreement on Wednesday, the government should repeal the National Security Law, which calls North Korea an anti-state organization, and promptly release all prisoners of conscience," party spokesman Pak U-sop said.

Pak said that if the government failed to take these steps, it would show that the government had no intention of promoting reconciliation and exchanges with North Korea.

South and North Korea put into force the agreement on reconciliation, nonaggression, and exchanges and cooperation and the joint declaration on a nuclear-free Korea in prime ministerial talks in Pyongyang Wednesday.

Tax Office Probes Hyundai on Stock Deals

SK2002040092 Seoul YONHAP in English 0255 GMT 20 Feb 92

[Text] Seoul, Feb. 20 (YONHAP)—The Office of National Tax Administration has launched a second probe into all affiliates of the Hyundai Group on suspicion group owner Chong Chu-yong and his family have hidden stocks somewhere there.

Just months ago, the office levied a staggering 130.9 billion won (about 175 million U.S. dollars) in penalty taxes on Chong, his family and some Hyundai firms for anomalous stock deals.

A tax office source said Thursday that the probe began after a routine tax investigation into the Hyundai Merchant Marine Co. raised the suspicion that some stock owned by Chong's family was being kept in the name of company executives and employees.

Officials of the Seoul Tax Administration have been sent to the Hyundai Securities Co., a suspected conduit for the illegal concealment of shares, to look for disguised purchases by Hyundai officials of stocks owned by Chong and his family.

Chong claims to have washed his hands of the business and recently embarked on a high-profile political career by founding the Unification National Party.

Government To Encourage Hold on Wage Increases

SK2002040792 Seoul YONHAP in English 0129 GMT 20 Feb 92

[Text] Seoul, Feb. 20 (YONHAP)—The government has reconfirmed its policy to encourage major concerns and public enterprises to hold wage increases at 5 percent of take-home pay or less this year.

The controls apply to industrial companies employing more than 500 workers, service companies with 300 or more employees, firms with virtual monopolies, and public enterprises that are invested in by central or local administrations.

The decision was made by economic ministers in a meeting Wednesday afternoon on ways to stabilize wages. It was chaired by Deputy Prime Minister and Economic Planning Minister Choe Kak-kyu.

The government will notify all relevant employers of the decision next week and ask them to fix wage increases through negotiations at levels not exceeding 5 percent of take-home pay.

The need for controls has been increasingly felt as soaring pay is one of the major factors behind Korea's sagging economy.

The government estimates 1,065,000 employees will be affected—473,000 at 872 large industrial companies, 386,000 at 210 monopoly firms, and 206,000 at 108 public enterprises—but the actual number is far greater if service companies are taken into account.

A government source said that those concerns abiding by the controls will be given administrative favors such as favorable consideration of loans, exemption from tax audits, and financial or taxational support in the event of labor disputes.

Those that allow a hike of more than 5 percent will face punitive steps like disfavor in projects needing government permits and tightened credit control, the source said.

Take-home pay is an employee's basic wage plus bonuses, regular allowances, miscellaneous allowances for food and physical fitness, and monthly or yearly continuity allowances. Overtime pay, free meals and productivity bonuses are not included.

Civilians To Operate Air Traffic Control Center

SK2002092292 Seoul YONHAP in English 0705 GMT 20 Feb 92

[Text] Seoul, Feb. 20 (YONHAP)—The Taegu Air Route Traffic Control Center (Taegu ARTCC), now under the jurisdiction of the Air Force, will become independent under the supervision of the Transportation Ministry on Jan. 1, 1994, ministry officials said Thursday.

The cabinet approved inauguration of the Taegu Area Control Center (Taegu ACC), the ARTCC's replacement, Thursday. The ACC will have a staff of 300 in 17 sections in five bureaus—administration, area control service, flight information service, communications and electronic equipment service, and computer-related works.

Taegu ARTCC has been in operation since 1958 as the only air traffic control center for IFR (Instrument Flight Rules) aircraft flying in Korean airspace.

The decision to move the ARTCC from the Defense Ministry to the Transportation Ministry reflects the need for international standardization of its services and worldwide trends in the area control sector, the officials said.

In most member countries of the International Civil Aviation Organization, civilian authorities handle area control.

Area control comprises issuing flight permits to aircraft by setting the altitude and allocating routes from the airport of departure to the destination airport, and guiding pilots by radar.

The service also includes providing aircraft with information about the climatic and runway conditions of airports and helping them have radar access to their destination.

Hong Kong Daily Sees Normal PRC-ROK Ties

SK2002051892 Seoul YONHAP in English 0449 GMT 20 Feb 92

[Text] Hong Kong, Feb. 20 (YONHAP)—South Korea and China have completed negotiations on normalizing diplomatic relations and will make the formal announcement by June, the Chinese-language daily MING PAO reported Thursday.

Quoting "reliable diplomatic sources," MING PAO said the two countries were delaying the announcement out of consideration for China-North Korea relations. China's leaders do not want to upset North Korean President Kim Il-song before his birthday in April.

It said no outstanding movement had been observed between South Korea and China during the past few months as they had already finished normalization negotiations.

The state-run press of China had reduced negative news about South Korea in recent months and some papers were now using the name "Republic of Korea" instead of "South Korea," MING PAO said.

Diplomatic observers in Beijing viewed establishment of formal relations between South Korea and China as "a great victory for China's practical diplomacy," it said.

Korean diplomats take a cautious attitude and say that the normalization issue could be resolved late this year.

South Korea was to send Min Kwan-sik, adviser to the ruling Democratic Liberal Party, as a special presidential envoy to Taipei on Thursday, the paper said quoting a Taiwanese Foreign Ministry spokesman.

Min will assure the Taiwanese Government that the traditional friendship between Seoul and Taipei will remain intact despite normalization of diplomatic ties with Beijing.

The paper said South Korean Foreign Minister Yi Sang-ok could hold talks with Chinese officials in April, when he goes to Beijing to attend the general meeting of the United Nations Economic and Social Commission of Asia and Pacific.

ROK-PRC Trade Talks Open in Beijing 19 Feb

SK2002013792 Seoul MAEIL KYONGJAE in Korean 19 Feb 92 p 2

[Text] ROK-Chinese economic talks to negotiate agreements on investment safeguards and the prevention of dual taxation took place on 19 February.

In the talks, which will continue until 21 February, the two countries will comprehensively discuss details of investment safeguards to provide protection for our business firms in China where the social and economic systems are different. The two countries will also discuss the issue of preventing dual taxation.

As of the end of 1991, 161 firms were authorized by the government to invest a total of $145.7 million in China. Of this, the actual number of investments was 99, amounting to $64.6 million.

Talks Held With PRC on Direct Telephone Link

SK2002062792 Seoul YONHAP in English 0559 GMT 20 Feb 92

[Text] Seoul, Feb. 20 (YONHAP)—Talks have begun on establishing a direct telephone link between South Korea and China's Shandong Province to meet growing telecommunications demands between the two countries, Communications Ministry officials said Thursday.

A delegation headed by Zheng Wansheng, president of Shandong Telecom Investment & Construction Ltd., met with officials of state-run Korea Telecom Thursday to discuss opening direct telecommunications between Korea and the Chinese province.

Korean officials called for the establishment of a 400-kilometer optic fiber cable linking Korea's Sosan County to Weihai.

The Chinese side counterproposed an outdated tropo scatter system connecting Tokchok Island with Weihai.

The Korean officials said the Chinese delegation seemed to oppose the Korean overture because a submarine cable costs more than the tropo scatter system. The cost of the fiber optic cable is estimated at 45 million to 50 million U.S. dollars.

While trying to persuade the Chinese on the merits of their proposal, the Koreans agreed to a satellite relay station linking Korea to Weihai as an alternative.

The Chinese delegation leaves Feb. 26 after touring industrial facilities and meeting businessmen here.

Diplomatic Talks in Cambodia Slated for 24-28 Feb

SK1902031092 Seoul YONHAP in English 0224 GMT 19 Feb 92

[Text] Bangkok, Feb. 19 (OANA-YONHAP)—South Korea and Cambodia will hold their first diplomatic normalization talks in Phnompenh Feb. 24-28, a Cambodian Foreign Ministry source said Wednesday.

The talks were delayed from Feb. 7-9 at the last minute due to a communications problem, the source said.

Cambodian Foreign Minister Hor Nam Hong sent a fax message about the talks but it was not properly relayed to the Koreans, the source said.

Korea asked Feb. 6 that the meeting be rescheduled and Cambodia accepted, the source said. Korean Ambassador Chong Chu-nyon is to lead the delegation.

Officials in Korea said they would soon improve ties with Indochinese countries after the Cambodian peace agreement Oct. 23 between the Vietnamese-installed government and the Khmer Rouge alliance led by Prince Norodom Sihanouk.

Seoul proposed to Sihanouk, chairman of the Supreme National Council (NSC), in mid-November that Chong visit Phnompenh for diplomatic talks. Cambodia did not answer until recently due to differences between the pro-North Korean Sihanouk and Cambodian Prime Minister Hun Sen.

Sihanouk spent most of his 12-year exile divided between Beijing and Pyongyang.

Hun Sen is expected to be out of the country Feb. 24-28, when he and Sihanouk plan to visit North Korea.

Cambodian Trade Minister Visits To Boost Ties

SK2002060092 Seoul YONHAP in English 0525 GMT 20 Feb 92

[Text] Seoul, Feb. 20 (YONHAP)—Nhim Vanda, Cambodia's commerce minister is in Seoul on a trip the Korean business community hopes will boost bilateral economic ties, business sources said Thursday.

Vanda, who arrived Tuesday [18 February] as a guest of Samsung Corp., met with Yi Pil-kon, vice chairman of the Samsung group, and officials of the Korea Chamber of Commerce and Industry to discuss economic cooperation.

He will tour a Samsung electronics factory in Suwon and Samsung's Anyang Plant after meeting Trade and Industry Minister Han Pong-su Thursday. He is to return Friday.

Korea and Cambodia set up diplomatic ties in 1970 but severed relations in 1975, when Cambodia fell to the communists.

Indirect trade resumed in 1986, but amounted to only 237,000 U.S. dollars in Korean exports and 63,000 dollars in imports in 1990 due to the lack of diplomatic relations.

Analysts here say construction of medium and small plants, oil prospecting and forestry development are promising joint venture fields, and Cambodia can be used as a processing depot for daily necessities and textiles.

Trade Barriers Force Traders From East Europe

SK2002062092 Seoul YONHAP in English 0549 GMT 20 Feb 92

[Text] Seoul, Feb. 20 (YONHAP)—Persistant internal conflict and rising trade barriers are forcing South Korean traders to leave Yugoslavia and scale down operations throughout Eastern Europe.

Samsung Electronics Co. closed its Zagreb branch in July 1991 and Lucky Goldstar International Corp. recently shut its branch in the Yugoslavian city. Samsung's Zagreb employees were relocated to its Vienna office, from where they are doing trading business with Yugoslavia.

Sungkyong Ltd. is in the process of removing its branch from Warsaw, sources say.

Political and economic uncertainties in the region contribute to the bleak export prospects for Korean traders operating there. Further dampening prospects are rising trade barriers erected in Eastern Europe against Korean goods, including electronic and electrical products.

Korea had exports of 503 million dollars to Eastern Europe in the first 11 months of last year, up 14.9 percent from the same period a year earlier. The growth rate was 160 percent in 1989 and 104 percent in 1990.

Businesses Scrap Plans To Invest in CIS

SK2002020992 Seoul THE KOREA TIMES in English 20 Feb 92 p 8

[Text] Korean business concerns are scrapping their plans to invest in the Commonwealth of Independent States (CIS), the former Soviet Union, because of the political instability and economic chaos there.

In particular, they are avoiding investment in manufacturing projects in the CIS due to high risks.

They are instead trying to invest in food, trade and other service sectors in the CIS which will cost $200,000-300,000 per project.

But their investment in such projects has virtually come to a standstill as the CIS is delaying approval of the investment plans.

Samsung Co., the trading arm of the Samsung Group, has recently given up its plan to repair a sports hotel in Moscow which would have cost $2.4 million.

It was reported that the general trading company was forced to scrap its investment plan because of conflict with Russian trade unionists working at the Moscow hotel.

With the repair of the Moscow Hotel, Samsung planned to embark in the hotel business in the CIS.

The Korean Government approved Samsung's plan to repair the Moscow hotel in 1990.

Korean business concerns were allowed to invest in the former Soviet Union in 1989.

Mongolian Officials Attend Training Institute

SK1802022492 Seoul THE KOREA HERALD in English 18 Feb 92 p 2

[Text] Some 27 high-ranking Mongolian government officials have arrived here for training at the Central

Public Officials Training Institute from today till March 10, the Government Administration Ministry announced yesterday.

It is the first group of Mongolian officials to arrive here for training since South Korea and Mongolia established full diplomatic ties in March, 1990.

The Mongolian delegation led by Jambyn Gombojav, minister of state for local administration, is composed of chiefs of local administrations at various levels.

They will learn Korean history, culture and political and economic development as well as management skills required for leadership.

Country of Origin Mark Required on Farm Imports

SK2002040992 Seoul YONHAP in English 0113 GMT 20 Feb 92

[Text] Seoul, Feb. 20 (YONHAP)—The government will require country-of-origin marks on an additional 85 agricultural products from April to protect South Korean farmers, officials at the Agriculture, Forestry and Fisheries Ministry said Thursday.

Cheap farm products, mostly from China and the United States, are flooding the Korean market and are being disguised as more expensive Korean products, dealing a severe blow to local producers, the officials said.

American beef, Chinese bracken and Alaskan crab are the items most frequently imported without country-of-origin marks.

To protect farmers, the government has posted 85 additional items that must carry the stamp of the country of origin when they are brought in, they said.

All items on the list must have the country of origin marked on the outer wrapping of the package before being distributed to retailers.

If country of origin is not specified or the marking rules are violated, the product will be returned to the exporting country, according to the officials.

Importers will have their licences suspended or be fined up to 10 million won and distributors will be prosecuted if the country of origin is misstated.

Among the 85 items are mussels, oak mushrooms, puffer fish, ginseng, ark shell and chestnuts, which mainly come from China.

Foreign Ministry Names American Affairs Director

SK1402132092 Seoul YONHAP in English 0843 GMT 14 Feb 92

[Text] Seoul, Feb. 14 (YONHAP)—Chong Tae-ik, assigned to the Presidential Secretariat from the Foreign Ministry, was named Friday the new director-general of the Ministry's American Affairs Bureau.

He replaces Pan Ki-mun, who was appointed special assistant to the foreign minister. He is tapped as next minister to the South Korean Embassy in Washington and expected to take up his new post sometime in April.

Yi Yang, also assigned to the Presidential Secretariat, returns as deputy director-general of the European Affairs Bureau.

Cho Sang-hun, researcher for Asia-Pacific at the Institute of Foreign Affairs and National Security, was appointed senior coordinator for policy planning.

His predecessor, Yi Yang, joined the Taejon Expo organizing committee.

Australia Appoints Honorary Consul in Pusan

SK1502131692 Seoul YONHAP in English 0355 GMT 15 Feb 92

[Text] Pusan, Feb. 15 (YONHAP)—The Australian Government has appointed Choe Chong-hwan, a former chairman of the Pusan Chamber of Commerce and Industry, an honorary consul to Pusan.

Choe, working out of a building he owns here from Feb. 21, will handle visas, emigration, tourism, trade and academic matters for Pusan and the Kyongsang and Cholla Provinces, the Australian Embassy said Saturday.

Burma

SLORC Administrative Actions Reported

Social Welfare Ministry Reorganized

BK1902144092 Rangoon Burma Television Network in Burmese 1330 GMT 19 Feb 92

[Notification No. 14/92 of the State Law and Order Restoration Council; dated 19 February 1992]

[Text] Reorganization of ministry:

The State Law and Order Restoration Council [SLORC], to effectively perform its activities, has reorganized the Ministry of Social Welfare as the Ministry of Social Welfare, Relief, and Resettlement.

Signed: Major General Khin Nyunt, secretary-1 of SLORC

New Minister Appointed

BK1902143892 Rangoon Burma Television Network in Burmese 1330 GMT 19 Feb 92

[Declaration No. 2/92 of the State Law and Order Restoration Council; dated 19 February 1992]

[Text] Appointment of cabinet minister:

The State Law and Order Restoration Council [SLORC] has appointed Brigadier General Thaung Myint as minister for social welfare, relief, and resettlement.

By the authority vested in me

Signed: Major General Khin Nyunt, secretary-1 of SLORC.

New Chief Court Judges Appointed

BK1902143992 Rangoon Burma Television Network in Burmese 1330 GMT 19 Feb 92

[Order No. 6/92 of the State Law and Order Restoration Council—dated 19 February 1992]

[Text] Appointment of chief court judges:

The State Law and Order Restoration Council [SLORC] has appointed the folowing persons as chief court judges effective today.

1. U Aung Myin, chief court judge
2. U Than Pe, chief court judge

By the authority vested in me

Signed: Major General Khin Nyunt, secretary-1 of SLORC

Commission Revokes Status of NLD MP From Magwe

BK1902155592 Rangoon Radio Burma in Burmese 1330 GMT 19 Feb 91

[Announcement No. 1007 of the Multiparty Democratic General Elections Commission of the Union of Myanmar, dated 19 February 1992]

[Text] Subject: Nullification of the status as People's Assembly representative of U Khin Maung Kyi, who infringed Section 11-K of the People's Assembly Election Law.

1. U Khin Maung Kyi was elected as the People's Assembly representative of the National League for Democracy [NLD] from Pauk Township constituency-1, Magwe Division, during the multiparty democratic general elections on 27 May 1990.

2. U Khin Maung Kyi had been found to be guilty under section 20-A and 20-B of the Private Tuitions Act and was convicted under Section 23 of that act by the township court concerned.

3. Thus, U Khin Maung Kyi is found to have infringed Section 11-K of the People's Assembly Election Law and hence no longer has the right to continue as the People's Assembly representative and his status has been nullified.

4. It is also hereby announced that in accordance with Section 80-B of the People's Assembly Election Law, U Khin Maung Kyi, National Registration Card Number TAK000918, shall no longer have the right to run for elections in the next 10 years.

By the authority vested in me,

Signed: Aye Maung, secretary

Government Troops Capture Rebel Camp

BK1902154792 Rangoon Burma Television Network in Burmese 1330 GMT 19 Feb 92

[Text] Terrorist insurgents from the 12th Battalion, the 5th Brigade of the KNU [Karen National Union], the ABSDF [All Burma Students' Democratic Front], and Muslim insurgents with their Ywahelu base camp, about 30 miles from Bokpyin and near the border region, have been performing armed robberies, demanding ransoms, kidnapping, robbing and destroying the property of innocent people and fishing boat employees in the coastal area, and smuggling state- owned teak and forestry products.

In order to crush them completely, defense services personnel from columns under the southeast military command, without any regard for their lives, made an assault and successfully captured their Ywahelu camp at 0830 this morning.

In their operations, the defense services captured the Soemoegon camp at 0900 on 18 February 1992, the

Sakangon camp—the base of ABSDF and Muslim terrorist insurgents—at 1200 noon, and Letnetgyigon at 1230. The Pinmagon, which was heavily defended, was captured this morning at 0830.

The defense services encountered five assault battles, 10 major battles, and 20 minor battles.

Altogether the captured were 21 terrorist insurgent corpses, seven assorted small arms, 130 assorted mines, 456 assorted fuses, 17 mine switches, 10 mine wires, 36 pieces of plastic explosives, 2,560 assorted small arms ammunition, 87 (?0.5 shells), two RPG grenades, five 81mm shells, one 3.5mm grenade, one compass, one telephone, one bulldozer, one chain-type earthmoving machine, one large and one small timber truck, one large generator, one dynamo, five empty 1500-gallons-capacity oil tanks, one fuel supply pump, 3,000 logs, three TV antennas, 20 empty oil drums, one saw mill, five zinc-roofed barracks, ten huts, 53 zinc-roofed trenches, two supply warehouses, one clinic, 60 bomb shelters, 15 baskets of rice, and 53 bottles of assorted medicine.

In the Ywahelu camp seizure, seven defense services personnel gave up their lives while 22 were wounded. Our defense services personnel will continue their zealous efforts to completely crush the terrorist insurgents so that people can live in security and peace.

Brunei, Malaysia & Singapore

Malaysia

Government Donates U.S. $50,000 To Cambodian SNC

BK2002054492 Kuala Lumpur BERNAMA in English 0409 GMT 20 Feb 92

[Text] Phnom Penh, Feb 20 (OANA-BERNAMA)—Malaysia marked its support to the interim Cambodian Government of Prince Norodom Sihanouk with a donation of M$125,000 (U.S.$50,000) here Wednesday.

The donation to the Supreme National Council (SNC) of Cambodia, was also to indicate Malaysia's desire to enhance their bilateral ties.

The cheque was presented by visiting Foreign Minister Abdullah Ahmad Badawi to Prince Sihanouk, who is president of the SNC.

When handing over the cheque, Abdullah said it was a modest contribution but Prince Sihanouk quickly interrupted to say that to Cambodia it was a "magnificent" gesture.

Prince Sihanouk praised Malaysia for its continued assistance and support for Cambodia.

Singapore

U.S. Embargo Grounds Vietnam Airlines Jet

BK1902161092 Hong Kong AFP in English 1204 GMT 19 Feb 92

[Text] Singapore, Feb 19 (AFP)—A court action stemming from the U.S. embargo on dealings with Vietnam has grounded a Vietnam Airlines jetliner at Changi Airport here, court and aviation sources said Wednesday.

The sources said the plane was stopped from returning to Vietnam after the U.S.-based United Technologies Corporation (UTC) obtained an injunction against JES Air, the Bulgarian company that leased the plane to the airline.

The major U.S. defence contractor, whose Pratt and Whitney division provided the aircraft's engine, reportedly obtained the injunction after the European-built Airbus A-310 arrived here from Ho Chi Minh City on February 9.

A High Court clerk said the injunction had been granted pending a hearing on UTC's argument that continued flights by the aircraft into Vietnam would violate the U.S. embargo on technology transfers and other dealings with the country.

Court sources said no date had been fixed for the High Court hearing, but that it was likely to be next week.

The embargo has been in effect since the U.S. war with Vietnam—which ended in 1973—although other countries have stepped up business with Hanoi since settlement in October of the 13-year Cambodian conflict between a Vietnam-installed government and a guerrilla coalition.

JES Air representatives here and lawyers acting for UTC refused to comment on the Airbus matter, while a U.S. Embassy spokesman referred reporters to the U.S. Treasury Department in Washington.

In Hanoi, a Vietnam Airlines official said the carrier's regular service of four flights per week between Ho Chi Minh City and Singapore had not been disrupted by the "technical problems and legal problems" that grounded the Airbus.

"We had technical problems and legal problems with an aircraft in Singapore," he said. "The service has not been halted." Vietnam Airlines flies leased Airbus 310s and Boeing 737s as well as its own Russian-built Tupolevs to Singapore, said the official, who asked not to be named.

"We are a young company, we don't have much experience in these matters," he said when asked about the grounding of the Airbus. "But these problems will not interfere with our program of expansion."

A delegation headed by deputy director general of Vietnam Airlines was in the city state Wednesday to inaugurate the regular service between the two countries, which began February 2, he said.

Singapore Airlines (SIA) is scheduled on February 28 to launch a service of four flights a week to Ho Chi Minh City using the same type of Airbus and a weekly freighter service with a Boeing 737.

"We will be flying to Vietnam with our own aircraft and I do not think we will be affected by the U.S. embargo, said SIA spokesman Siva Subramaniam. "So far we have not heard about any move to stop us flying to Vietnam."

SIA, which has a contract with JES Air to service the Airbus, confirmed the plane was grounded here, but said "we are not a party to the dispute."

Singapore lifted a ban on investments in Vietnam in November.

Many other airlines, including Indonesia's Garuda, Philippine Airlines, Thai Airways and European carriers such as Germany's Lufthansa, operate regular services to Vietnam.

The Asian Wall Street Journal reported that the move against the JES Air Airbus was initiated after SIA asked the U.S. firm Honeywell's branch here to repair the plane's flight-management system.

Honeywell staff noticed the Vietnam Airlines tag on a component of the avionics computer brought in for repair and notified UTC, which in turn instituted the legal action.

Honeywell officials were unavailable for comment.

Cambodia

Chea Sim: U.S. Presence 'Important' for Accord

BK2002054092 Phnom Penh SPK in French 0402 GMT 20 Feb 92

[Text] Phnom Penh 20 Feb (SPK)—Mr. Chea Sim, chairman of the Central Committee of the Cambodian People's Party [CPP], said that the U.S. presence in Cambodia constitutes an important and fruitful contribution to the implementation of the Paris peace accords.

Mr. Chea Sim, also chairman of the National Assembly and National Council of the Kampuchean United Front for National Construction and Defense, made that statement when he received in Phnom Penh on 18 February Mr. Charles Twining, U.S. special representative to the Supreme National Council (SNC) of Cambodia. He praised the close cooperation among the SNC members, the five big nations, and Indonesia in the implementation of the peace accords. He reaffirmed the attitude of the State of Cambodia [SOC] in respecting these accords and expressed his hope that the other Cambodian factions would have the same attitude.

Concerning the refugee question, Chairman Chea Sim stressed that repatriation should take place before the rainy season.

Mr. Charles Twining, for his part, thanked the CPP and SOC Government for facilitating his mission in Cambodia.

He also thanked the SOC for its assistance and coordination in the search for the remains of U.S. soldiers missing in action during the 1970-75 war.

Sihanouk: Situation 'Not Out of Control'

BK1902142992 Hong Kong AFP in English 1419 GMT 19 Feb 92

[Text] Phnom Penh, Feb 19 (AFP)—Prince Norodom Sihanouk said Wednesday that if the United Nations was having budget problems it could drastically cut its planned peacekeeping operation in Cambodia. The United Nations Transitional Authority in Cambodia (UNTAC), due to be deployed before April, is the largest peacetime UN operation ever planned with an estimated budget of one billion dollars. "If there is not a big budget to finance a big UNTAC, a small UNTAC will be sufficient," Prince Sihanouk said.

While drafts of the UN proposal envisage 21,000 people sent here to take charge of Cambodia's administration and run elections in 1993, the prince said he would be happy with only 5,000 to 10,000 people. Prince Sihanouk pointed to conflicts in Yugoslavia and Algeria. "It seems there is more trouble, more instability elsewhere than in Cambodia now," he said. "The situation (here) is not out of control. There is no threat to peace."

Sihanouk Admits Sons Have Differences

BK1902143192 Hong Kong AFP in English 1421 GMT 19 Feb 92

[Text] Phnom Penh, Feb 19 (AFP)—Prince Norodom Sihanouk said Wednesday he has tried many times to lessen the divide between his two sons but failed.

Prince Norodom Chakkrapong and Prince Norodom Ranariddh sit on opposing fences in the Cambodian political game, with Prince Chakkrapong having recently become a member of the Phnom Penh government as deputy premier.

Prince Ranariddh heads the royalist party, FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia], that used to be headed by his father.

Political sources here say the two have been fighting recently and that Prince Ranariddh left the capital in a huff last week due to the differences.

"They don't like each other very much," their father said. "I have tried very hard without any success" to unite them.

"Ranariddh is Ranariddh," Prince Sihanouk said, throwing his hands into the air.

"There is no tragedy, just a small clash. They are good sons but as brothers, there is bickering," he said.

The prince was speaking before a meeting with Malaysian Foreign Minister Abdullah Ahmad Badawi.

Sihanouk Says Relations With Israel Can Wait

BK1902140792 Hong Kong AFP in English 1355 GMT 19 Feb 92

[Text] Phnom Penh, Feb 19 (AFP)—Diplomatic relations with Israel can wait until the next Cambodian Government decides what to do about it, Prince Norodom Sihanouk said Wednesday.

Prince Sihanouk and the Phnom Penh government have both previously recognized Palestine, which still has diplomatic representation in Phnom Penh.

"We respect Israel, but we have to wait for the general elections" scheduled for April 1993 under United Nations supervision, Prince Sihanouk said.

"For the time being there is no legal government... (and) we cannot take any decisions about the problems which are difficulties between the state of Palestine and the state of Israel," the prince said.

"We wish (Israel and Palestine) would one day resolve their problems to enable us to recognize the state of Israel as well," he said.

Palestine Liberation Organisation chief Yasir 'Arafat was due to make an official visit to Cambodia in December, but the trip was cancelled due to unrest in the capital.

Israel's Work in Peace Process Welcomed

TA1702155492 Jerusalem Qol Yisra'el in Hebrew 1500 GMT 17 Feb 92

[Text] Officials in Cambodia's new regime led by President Norodom Sihanouk say their country would welcome Israel's participation in the UN-sponsored peace process currently under way in Cambodia. The officials told our correspondent Erez (Zizyanov) that Israel could participate in the UN peace force and in the promotion of development projects and the rehabilitation of Cambodia's economy and agriculture.

Sihanouk Chairs Temple Restoration Meeting

BK1402093392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 13 Feb 92

[Text] A meeting of the Cambodian Temple and Museum Restoration Committee was held at 1700 in the evening of 12 February under the august chairmanship of His Royal Highness Prince Norodom Sihanouk, Cambodia's head of state and chairman of the Supreme National Council [SNC].

Attending the meeting were (Van Molivan), famous Cambodian architect; Hang Chuon, minister of information and culture; Sok An, deputy foreign minister of the State of Cambodia and secretary of the SNC; Neou Sam, chairman of party and people's committees of Siem Reap-Oddar Meanchey Province; and representatives of the parties of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and Democratic Kampuchea.

Also present on that occasion were their excellencies representatives of UNESCO and of the French, U.S., Russian Federation, UK, Japanese, Indian, Thai, Vietnamese, and Lao Embassies in Cambodia.

The meeting participants drafted a budget on the expenses of the committee for presentation to UNESCO which will further seek funds for [words indistinct]. The meeting also discussed [words indistinct] museums in which UNESCO provided 35,000 dollars.

The meeting also thoroughly discussed a report to be presented by the Cambodian delegation at UNESCO seminar to be held from 24 to 28 (?February) 1992 on illegal trafficking of ancient objects and on a resolution to raise (?tourist costs) as income for the Angkor Temple Restoration Bureau.

Malaysian Foreign Minister Badawi Pays Visit

Arrives 19 Feb

BK1902053492 Phnom Penh SPK in English 0406 GMT 19 Feb 92

[Text] Phnom Penh SPK February 19—Malaysian Foreign Minister Abdullah Badawi arrived here Wednesday for a three-day official visit to Cambodia.

Abdullah's visit, at the invitation of Prince Norodom Sihanouk, president of Cambodia's Supreme National Council (SNC) is the first by a high-ranking Malaysian to Phnom Penh since 1979.

Abdullah will meet Prince Norodom Sihanouk, Prime Minister Hun Sen, Foreign Minister Hor Namhong, and other SNC members.

Malaysia's Public Bank was recently given a licence to start a joint venture bank with the National Bank of Cambodia the [words indistinct] will be formalised during Abdullah's visit.

Malaysia was one of the signatories of the U.N. sponsored Cambodia peace accord in Paris at the end of last year that ended the civil was between Hun Sen's government and three guerrilla factions dominated by the Khmer Rouge.

Malaysia last month opened a mission to the SNC in Phnom Penh.

Views UNTAC Deployment With Sihanouk

BK2002060892 Kuala Lumpur BERNAMA in English 0403 GMT 20 Feb 92

[By Sukardi Abdul Ghani]

[Text] Phnom Penh, Feb 20 (OANA-BERNAMA)—The Cambodian Supreme National Council (SNC), keen to see early deployment of the United Nations Transitional Authority in Cambodia (UNTAC), is willing to accept a smaller group if funds did not permit sending a large party.

SNC President Prince Norodom Sihanouk said "Ideally, we asked for the deployment of between 15,000 and 20,000 staff for UNTAC operations as provided for under the Paris peace agreement.

"(But) in my personal view, if there is no big budget, a small budget is acceptable. Less than 10,000 staff or even 5,000 people, will be sufficient," he added.

Speaking to reporters after receiving a courtesy call by visiting Malaysian Foreign Minister Abdullah Ahmad Badawi here Wednesday, he said "If the question of budget can't be solved, we are willing to accept less."

All interested parties, including the ASEAN countries, have been calling for speedier deployment of UNTAC, expected to cost some U.S.$1 billion, for peace-keeping duties in Cambodia until general elections are held, probably in 1994.

Prince Sihanouk, who returned to Cambodia four months ago to head the SNC, said UNTAC could not take off the ground without a budget.

"The U.S. and Japan are willing to contribute a certain amount to UNTAC," he added.

He hinted that he would like to see the UNTAC force stay on even after the general elections to ensure stability in his country.

Views Investments With Hun Sen

BK1902144292 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 19 Feb 92

[Text] Cambodia wants Malaysian investments to enable it to rebuild itself after going through 13 years of civil war. Cambodian Prime Minister Hun Sen made the request during talks with visiting Malaysian Foreign Minister Datuk Abdullah Ahmad Badawi in Phnom Penh today.

Hun Sen told the foreign minister that Malaysian investors should actively participate in the redevelopment projects in the economic and plantation sectors.

Datuk Abdullah Badawi arrived in the Cambodian capital this morning for a three-day official visit. He is the highest ranking Malaysian official to visit Cambodia in more than 13 years.

Speaking to Malaysian newsmen after an hour-long talk with Hun Sen, Datuk Abdullah Badawi believes that the Cambodian leader did not want Malaysian investors to be left out of the investment opportunities opening up in his country.

Cambodia also wants Malaysian expertise to rehabilitate its rubber plantations and to open up new estates. Cambodia was one of the major rubber producers in the world until the outbreak of the civil war.

Datuk Abdullah Badawi expressed Malaysia's appreciation to the Cambodian leadership for permitting Malaysia's Public Bank and Pelangi Air to operate in that country. Public Bank would open a bank in joint venture with the National Bank of Cambodia while Pelangi Air would operate first jointly with Cambodia Airlines. Malaysia and Cambodia will sign several cooperation agreements tomorrow.

Earlier, Datuk Abdullah Badawi and his delegation were met on arrival at Pochengtong Airport by Cambodian Foreign Minister Hor Namhong.

Sees 'Step Forward' With Chea Sim

BK2002130192 Phnom Penh SPK in English 1101 GMT 19 Feb 92

[Text] Phnom Penh SPK February 20—Chea Sim, chairman of the National Assembly, received in Phnom Penh Wednesday, 19 February, Malaysian Foreign Minister Abdullah Ahmad Badawi.

Chea Sim considered the foreign minister's visit a step forward in the consolidation of solidarity and friendship between the two countries which [words indistinct] achievements recorded by the Cambodian people over the past 13 years.

In reply, Badawi expressed Malaysia's support for the national reconciliation in Cambodia aimed at implementing the Paris peace accord signed last October. The minister also pledged to do all in his capacity to restore Cambodian infrastructures in the near future.

Defense Minister Tie Banh Meets Malaysian Envoy

BK1702163692 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 17 Feb 92

[Text] On the afternoon of 14 February at the Army Foreign Relations Department, His Excellency [H.E.] General Tie Banh—member of the Standing Committee of the Cambodian People's Party [CPP] Central Committee, vice chairman of the Council of Ministers, Defense minister of the State of Cambodia [SOC], and member of the Cambodian Supreme National Council

[SNC]—held cordial talks with H.E. Mohamed Ridzam, Malaysian ambassador to the SNC, on the current military situation, especially the restoration of Cambodian-Malaysian relations, which had been severed for over a decade. At the meeting, H.E. Gen. Tie Banh briefed his guest about the development of the military situation concerning the implementation of the Paris accord on Cambodia. He underlined that the SOC side always holds that peace is vitally indispensable for the Cambodian people who have suffered for over 20 years on account of war. Therefore, in the implementation of the accord on peace in Cambodia, we have constantly maintained our genuine goodwill stance in the search for peace for the people. And we have been patient and made concessions one after the other with the view of achieving national reunification.

However, the the polpotist faction continues to breach the accord while we are duty-bound to exert self defense, maintain safety for the people, and prevent all kinds of maneuvers that could hinder the implementation of the peace accord on Cambodia.

The Malaysian ambassador profoundly thanked H.E. Gen. Tie Banh for his clear explanation. He expressed the hope that the two countries would serve each other's multifarious interests and strengthen their cooperation. He also spoke about the upcoming visit of the Malaysian foreign minister to Cambodia.

Belgian Group's Tour 11-17 Feb Reported

BK1902130692 Phnom Penh SPK in French 1113 GMT 19 Feb 92

[Text] Phnom Penh 19 Feb (SPK)—For the first time since 1983, Western people, Belgians, toured Cambodia entirely in a week by making a wide berth around the Tonle Sap, the great central lake, according to a press communique of the European Center for Research on the Far East, C.E.R.E.O. [Centre Europeen de Recherches sur l'Extreme-Orient].

Raoul M. Jennar, diplomatic consultant of the nongovernmental organization forum in Cambodia; Catherine Lambermont, photographer; and a team of Belgian radio and television in Dutch (BRTH) left Phnom Penh on Tuesday 11 February.

The group successively stopped in Kompong Thom, Siem Reap, and Sisophon (from which they reached Thailand through the Poipet border post), and Battambang (from which the television team, with government troops, got within eight km of Pailin) before returning to Phnom Penh on 17 February through Pursat and Kompong Chhnang.

They traveled over a thousand kilometers inside Cambodia without any worries. They did not have any escort or special protection. In the area known to be sensitive, between Kompong Thom and Siem Reap, they followed a UN vehicle patrolling this road.

UNTAC Chief To Officially Arrive 15 March

BK1502063292 Phnom Penh SPK in English 0444 GMT 15 Feb 92

[Text] Phnom Penh SPK February 15—The head of the U.N. peacekeeping operations in Cambodia, Yasushi Akashi, will come to set up shop in Phnom Penh one month from now, AFP quoted U.N. sources said Friday. [sentence as received]

Akashi, who will head the United Nations Transitional Authority in Cambodia (UNTAC), which will oversee peacekeeping and run free elections in 1993, is due to arrive March 15.

His arrival is the first step in deploying UNTAC, an event which all factions have been pleading for during this interim period in which the United Nations has only a couple hundred liaison officers and staff preparing the way for UNTAC.

The United Nations is currently on its way to passing 200 million dollars for UNTAC's initial budget, and as soon as that happens, UNTAC will be officially born.

UNTAC is planned to be the biggest U.N. peacekeeping operation ever, with an estimated budget of one billion dollars and up to 20,000 military and staff.

Prince Norodom Sihanouk gave what was meant to be Supreme National Council (SNC) headquarters to Akashi for his residence and offices.

Currently it houses Khmer Rouge representatives, who are destined to move on to royal palace grounds after they are displaced from the SNC, and a few U.N. offices.

Hun Sen, Australian Minister Discuss Repatriation

BK2002125192 Phnom Penh SPK in English 1059 GMT 20 Feb 92

[Text] Phnom Penh SPK February 20—Premier Hun Sen met here Wednesday, 19 February, the visiting Australian minister of immigration Mr. Gerry Hand to discuss the repatriation of 350,000 Cambodian refugees currently living in camps in Thailand.

Premier Hun Sen described the Australian delegation's visit as more contributions to accelerating Cambodia's peace treaty signed in Paris last October. He thanked Australia for its active efforts to bring peace in the country and facilitate the return of Cambodian refugees.

He told Gerry Hand of the major tasks of the State of Cambodia in ensuring security for the returnees and assisting them to live in the country.

Australia Returns First Boat People

BK1902164292 Hong Kong AFP in English 0853 GMT 19 Feb 92

[Text] Phnom Penh, Feb 19 (AFP)—Four boat people who fled Cambodia over the last 10 years will return home voluntarily Thursday, the Australian Embassy here said.

The refugees are among 382 who have arrived on Australia's shores since 1980.

They volunteered to come back to Cambodia and their return was negotiated through the Australian permanent mission in Phnom Penh with the Cambodian Red Cross and the United Nations High Commissioner for Refugees.

Australia is paying the cost of their return and will help with resettlement, the embassy said.

The four returning via Bangkok include a woman and her baby born in Australia, a 21-year-old man and a 13-year-old boy.

All arrived in Australia separately, and no other information about them was immediately available, the embassy said.

Discussions are continuing about the fate of the remaining boat people.

Six Temporary Refugee Reception Centers Set Up

BK1402115192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 13 Feb 92

[Text] Pursuant to the memorandum signed on 21 November 1991 between His Royal Highness Prince Norodom Sihanouk Cambodia's head of state and chairman of the Supreme National Council [SNC], and the Royal Government of Thailand and the UN High Commissioner for Refugees [UNHCR] on the voluntary repatriation of the Cambodian refugees from the Kingdom of Thailand, the Government of the State of Cambodia [SOC], in its capacity as the body for setting up the local structures, has prepared itself to join in implementing this memorandum sincerely so that the work to welcome the repatriated refugees proceeds effectively in all national and international aspects.

The SOC has set up three (?working groups) in charge of examining and making decisions on all refugee repatriation work on behalf of the government. In the provinces and cities, [words indistinct] networks in charge of searching for families of the returnees. In the provinces and cities where there are temporary centers, the SOC has set up specialized groups of the repatriation committee [words indistinct] provincial and municipal Red Cross societies.

Moreover, each temporary center has a number of major tasks, namely maintaining security, listing names, carrying out ideological work, distributing food rations, [words indistinct] health care, and accepting and solving requirements.

It should be noted that each center is made up of living quarters, administrative buildings, [words indistinct], kitchen, [words indistinct], water wells, bathing rooms, and toilets. There are also foreign advisers providing help.

These temporary centers are just transitory centers for housing repatriated refugees before sending them to their definite localities.

Six centers are being built at (Phum Phnum) in Phnom Penh, at Snam Preah in Pursat Province, O Kaki, and Tuol M'kak in Battambang Province, at Kang Va in Banteay Meanchey province, and at Puok in Siem Reap-Oddar Meanchey Province.

The construction of these six centers is now being speeded up by provincial and municipal authorities. Good results have been achieved. Battambang Province took the lead in the construction work.

In addition to providing shelters, the SOC has also prepared the transportation means, food supplies, [words indistinct] health for the people, water, and utensils. The state has also paid attention to those fraternal people who have volunteered to stay in the definitive localities by arranging land for building houses and for farming, [words indistinct] their children, and particularly (?building) a house—five by five meters in width and 1.8-meter high—for each family.

According to still incomplete figures, there are a total of over 350,000 refugees. These refugees will be relocated in the provinces that the refugees want to stay.

Recently, a seminar was held in Phnom Penh on the repatriation of the refugees and the war escapees.

Provincial Figure Reveals Repatriation Plans

BK1502094192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 13 Feb 92

[Unidentified station correspondent's interview with It Loeu, chairman of the People's Committee in Banteay Meanchey Province, on preparations to receive repatriated refugees; place and date not given; recorded]

[Summary] [Correspondent] Please tell us about the province's preparations to receive compatriots returning home from Thailand.

[It Loeu] The province has discussed this with organizations and the Repatriation Committee in Phnom Penh and have made four major preparations:

1. Repair of the Poipet to Sereisaophoan road: As far as we know, this is an agreement between the Thai Government and the Supreme National Council. Thai specialists completed a survey of the road at the end of 1990. The Thais are studying the plan and measures for implementing it.

The main security problem in this operation are the mines along the Poipet-Nimit stretch. We are not really worried about other matters and the security along the road because the repairs will benefit all sides including the Cambodian people and our economy.

2. The province has set up a committee to prepare for the refugee reception. We are gathering information in order to plan well. We have studied the reception locations and the sites for building homes and growing crops. According to the figures, the province will accommodate about 42,000 people. Once the demining operation is completed, the returnees will be resetled. However, we believe this operation is complex and requires a long time.

I think about 40 percent of the construction of the returnee centers has been achieved. On the distribution of the area, if the area is large, a family could receive 1,200 square meters, 1,000 square meters on average, or 800 square meters minimum.

When the returnees arrive, we will tell them what we can do in cooperation with other assisting organizations or parties.

[Correspondent] We also would like to know what the province has done for war refugees who have fled their villages and who are now staying in various centers.

[It Loeu] This is a heavy burden for the province. The scale of the work is similar to the repatriation. According to our figures, there are about 43,000 war refugees. They have come from battle zones infested with mines. So, it is going to be a rather long time before they can return as the mines have to be cleared first.

We believe we will be able to find ways to destroy the mines and ensure security for people to go back this dry season. We have proposed to those responsible for demining operations to start with the villages closest to the provincial seat such as Mkak ward of the provincial seat, Sophi Village of Sereisaophoan District, and Bos Sbov area of the provincial seat, as well as some accessible communes in Thmar Puok and Svay Chek Districts. The remote localities will have to wait until we can clear the mines.

We have helped build 435 houses and a school for war refugees. Organizations such as the International Committee of the Red Cross has provided health care.

Thus, I believe some compatriots will be able to return home this dry season while others will have to continue staying in the centers.

Deputy Premier Chakkrapong Receives British Envoy

BK1602061092 Phnom Penh SPK in English 0421 GMT 16 Feb 92

[Text] Phnom Penh SPK February 16—Vice Prime Minister Chakkrapong met here Friday British special representative to the Supreme National Council of Cambodia (SNC), David Burns.

Chakkrapong, son of Prince Norodom Sihanouk, was elected as vice prime minister by the National Assembly during its 22d session. His previous post was assistant to Prime Minister Hun Sen.

He informed the British diplomat of the latest developments in Cambodia, especially the application of the liberal democracy and Cambodian national reconciliation process headed by Prince Norodom Sihanouk.

Prince Chakkrapong said that in accordance with the peace treaty signed in Paris last year, the State of Cambodia had facilitated all foreign observers for their inspections on the application of human rights in the country.

He also requested the United Kingdom to help train the Cambodians in the future.

Burns is the first British diplomat accredited here since the fall of the Khmer Rouge regime in 1975.

Burns who had visited several provinces of Cambodia said that he was satisfied with the all-sided development obtained by the Cambodian people.

Chakkrapong Tours Siem Reap 10-12 Feb

BK1702075292 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 17 Feb 92

[Text] Between 10 and 12 February, Prince Norodom Chakkrapong, vice chairman of the Council of Ministers of the State of Cambodia [SOC], made a working tour of Siem Reap-Oddar Meanchey Province to become acquainted with the situation in the areas where our nation's temples are located. During his three-day stay, the prince cordially visited and chatted with leading cadres in the province and districts as well as officials from the Fourth Military Region. He also participated in a mass meeting held in the provincial township by a huge crowd of local cadres, staff, combatants of the Cambodian People's Armed Forces, Buddhist monks, and ethnic minority people.

In addition, Prince Norodom Chakkrapong met with officers of the Royal Guard of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia, who will also take part in national reconstruction.

Vice Premier Sar Kheng Visits Prey Veng 7 Feb

BK1702075492 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 17 Feb 92

[Text] On 7 February Mr. Sar Kheng, member of the Standing Committee of the Cambodian People's Party Central Committee and vice chairman of the Council of Ministers of the State of Cambodia [SOC], went to Prey Veng Province to meet with cadres from offices and units in the province. He told the officials about the progress in implementation of tasks since the Paris accord on Cambodia came into existence on 23 October 1991, noting that the process of national reunification has been making headway despite some obstacles.

He emphasized that the SOC side has correctly abided by the accord with the aim of bringing about genuine peace for the people. He called on cadres from every sector to further reinforce their leadership role in motivating the masses to involve themselves in executing CPP policy with efficiency. He stressed that at the moment it is imperative to strive to implement a free market economic policy and intensify farming production work in order to improve the people's living conditions.

UN Civilian Team on Demining, Restoration Work

BK1802065392 Phnom Penh SPK in English 0427 GMT 18 Feb 92

[Text] Phnom Penh SPK February 18—Head of the civilian team of the United Nations Prattley Winston has said that the most important task to accomplish were mine clearance and the restoration of national infrastructure before the repatriation of Cambodian refugees.

During his recent three-day visit to Cambodia's northwestern border province of Banteay Meanchey, Mr. Prattley Winston, who is also chief of UN Mission in charge of the repatriation of Cambodian refugees went to the districts of Phnum Srok, Preah Net Preah, Mongkolborei and Svay Chek to cover the development on healthcare, agriculture, communication, education, women's activities, and other problems concerning refugees, war-displaced persons and the poor.

The visit was joined by representatives from UNHCR [UN High Commission on Refugees], WHO, FAO [UN Food and Agriculture Organization], ILO [International Labor Organization], DICA [expansion unknown], Redd Barna [Norwegian organization] and UNDP [UN Development Program].

Mr. Winston said mine clearance was a major problem which called for the cooperation of all concerned factions with the United Nations Advance Mission in Cambodia.

A number of projects should be made to restore the poor national infrastructure including healthcare, education, irrigation network and communication, he said.

The UN team said they would give priority of aid assistance to Svay Chek District where the aid assistance is in urgent need due to destruction by frequent attacks in the area.

Bidding for 2d Round of Oil Contracts Begins

BK1802055092 Phnom Penh SPK in English 0414 GMT 18 Feb 92

[Text] Phnom Penh SPK February 18—Bidding has gotten under way for Cambodia's second round of oil exploration contracts, the Ministry of Industry said Monday.

A number of companies—including American and European firms—are considering bids for the remaining blocs, Deputy Industry Minister It Prang said.

The bidding closes April 30 and results are to be announced in July, he said.

Only two off-sites remain, with another 18 available on-shore. The first six blocs were awarded in the first round last year to various joint exploration ventures, including Britain's Enterprise Oil, Hungary's NAWA Oil Co, Compagnies Europeenne des Petroles (CEP) of France, JAPEX from Japan and some smaller Australian and Spanish firms.

NAWA was the only company to choose an on-shore site partly controlled by the Khmer Rouge, with the rest of the companies picking blocs off the coast.

On-shore sites are considered more risky especially in a country like Cambodia with a history of civil war.

Oil company executives say that despite a clause in their contracts saying the exploration must begin within 90 days, the firms have only begun seismological surveys. Exploration will probably begin later in the year, they say.

National Bank Devalues Riel Currency

BK1802054892 Phnom Penh SPK in French 0400 GMT 18 Feb 92

[Text] Phnom Penh 18 Feb (SPK)—The National Bank of Cambodia has just largely devalued the riel, fixing the exchange rate at 700 riels per dollar from February instead of the 680 riel per dollar rate that has been in effect since 22 January.

According to this devaluation, one Thai baht is worth 27 riels, a British pound 1,245 riels, a French franc 127 riels, a Swiss franc 486 riels, a Canadian dollar 596 riels, an Australian dollar 524 riels, and a Singaporean dollar 428 riels.

Around the end of last year before the signing of the Paris accords, the Cambodian currency sometimes dipped as low as 1,200 riels per U.S. dollar.

Loridon Says Khmer Rouge Stalling on Peace Plan

BK2002080892 Hong Kong AFP in English 0731 GMT 20 Feb 92

[Text] Phnom Penh, Feb 20 (AFP)—Khmer Rouge generals are not cooperating with the peace plan, the head of the United Nations cease-fire observer troops in Cambodia charged Thursday.

"I am very angry about that," Brigadier General Michel Loridon said after a meeting of Cambodia's committee of formerly warring generals.

He said Khmer Rouge generals are refusing to allow U.N. military personnel access to all areas they control, stalling about marking their minefields and refusing to allow map-makers to fly over sensitive areas.

They cited security reasons for their refusal, Loridon said.

"It is no problem for the other three (factions) ... but the (Khmer Rouge) are not fully cooperative," he said. "They say they have to wait for UNTAC," the United Nations Transitional Authority in Cambodia, which is due to deploy up to 21,000 peackeeping personnel after April.

"I was very strong with them today... but they were delaying, saying, 'yes possibly, not now, maybe next week,'" the general said.

The Khmer Rouge agreed three weeks ago to allow officers from the other three factions to be deployed at their headquarters in Pailin, and at the same time to put two Khmer Rouge officers at the headquarters of their former enemies.

While the other three factions have already swapped officers, Loridon said, the Khmer Rouge have not yet done so.

They've promised the deployment by the beginning of March.

"I've given them nine days," Loridon said. "If they don't, I shall report it to New York because they have not to refuse now." [sentence as received]

Khmer People's National Liberation Armed Forces (KPNLAF) rebel General Sak Sutsakhan arrived in Cambodia on Wednesday to talk with U.N. officials, Prince Norodom Sihanouk and Phnom Penh government authorities.

He was not invited to Thursday's meeting of generals, but Loridon met with him after his arrival.

"I think he wants to cooperate now" with the peace treaty, Loridon said.

Sak split with Khmer People's National Liberation Front (KPNLF) leader Son Sann in 1986, and has since declared he would run candidates separately in the U.N. elections planned for 1993.

At one point he threatened to derail the peace process ending the civil war unless he was included in negotiations, and there are still forces loyal to him operating on the border with Thailand.

He was the last commander of the U.S.-backed Lon Nol forces before the Khmer Rouge victory in 1975.

Meanwhile, Khmer Rouge General Mao Savi who usually sits on the commitee of generals is reported to be seriously ill, and has been replaced with Major General Nuon Bunno.

Loridon said the Khmer Rouge general looked to his civilian advisor seated outside the meeting circle several times for guidance.

The civilian advisor, Son Chhun, is related to Khmer Rouge defense chief Son Sen.

SRV Forces Not Respecting Peace Agreement

BK2002032992 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 19 Feb 92

[Unattributed commentary: "Hold Aloft the Banner of Great National Union; Rally the Entire Cambodian Nation to Fight and Successfully Thwart the Offensive Plan of the Vietnamese Aggressors and Their Allies in the Current 14th Dry Season"]

[Text] Until now, the Vietnamese aggressors have arbitrarily carried on their offensives to smash and (?kill) the resistance forces. But the UN Transitional Authority in Cambodia [UNTAC] has continued postponing its deployment in Cambodia month after month.

On all battlefields throughout the country, both in the interior and along the border areas, the Vietnamese aggressors have implanted their agents in order to seek information on the location of the resistance forces' bases and people's dwellings so that they can send their forces in attack and fire artillery shells and multiple rockets on them.

These events alone clearly attest that the Vietnamese aggressors and their allies have not respected the peace agreement to end the Vietnamese war of aggression against Cambodia and the cease-fire accord. They have made use of the UNTAC delaying its deployment to launch an all-out offensive against the Cambodian resistance forces in this 14th dry season so that they can first occupy Cambodia forever and then conduct Vietnamization in Cambodia in whichever way they want.

In a situation in which the Cambodian nation and people are confronting the most serious risk of losing their country and race, as in the case of Kampuchea Kraom [former Cambodian territory in South Vietnam], due to this Vietnamese aggression, the tasks of every Cambodian are:

1. To unite as a single national force within the policy of Cambodian great national union and rally all Cambodian national forces to attack and successfully thwart the current 14th dry-season offensive plan of the Vietnamese aggressors and their allies.

2. To always enhance the lofty spirit of perseverance and self-reliance and assert their rights by seeking ways to constantly attack the Vietnamese aggressors until the UNTAC comes to verify the total withdrawal of Vietnamese aggressor forces from Cambodia.

17 Agents in Pursat Expose SRV Offensive Schemes

BK2002044592 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 19 Feb 92

[Text] According to a report from the national council in Leach District, 17 Cambodian administrative agents who were forced by the Vietnamese aggressors to seek information in the zones controlled by the (?three) resistance forces in Leach District of Pursat Province turned themselves in to village and commune national councils and our people.

In their confession, these agents said: The Vietnamese aggressors have not respected nor implemented the Paris agreement. They forced us to seek information on the resistance forces. They forced us:

1. To incite disputes and undermine the great national union in villages and communes in the liberated zones and seek information on the resistance forces and the people in liberated villages in preparation for their offensives in this 14th dry season.

2. To assassinate cadres and male and female combatants of the Cambodian national resistance forces and our people. Particularly, they ordered us to assassinate those who oppose the Vietnamese aggressors' Indochinese Federation strategy.

They added: During the 13-year Vietnamese war of aggression, like all other Cambodian people, we have seen the true nature of the Vietnamese aggressors; thus, we will not fall for their deceitful schemes. We know very well that this undertaking is a political scheme for serving the Vietnamese aggressors' Indochinese Federation strategy of annexing Cambodia. Like all Cambodian people, we want, both now and in the future, only independence, peace, national reconciliation, and national unity. That is, we want just a single Cambodian nation without discrimination of the political colors—white, black, blue, or red. We want all of us to live together under the banner of the Supreme National Council [SNC] with His Royal Highness Prince Norodom Sihanouk, head of state, as the chairman. It is in this spirit that we have turned ourselves in to our national councils and people.

The report noted that all those Cambodian agents also appealed for the United Nations to quickly send the military and civilian UNTAC personnel to Cambodia in order to join with the quadripartite SNC headed by His Royal Highness Prince Norodom Sihanouk in implementing the Paris agreement, particularly in supervising the total withdrawal of Vietnamese aggressor forces from Cambodia.

Indonesia

Minister 'Not Satisfied' With OPEC Agreement

BK1802053892 Jakarta ANTARA in English 0413 GMT 18 Feb 92

[Text] Jakarta, Feb. 17 (ANTARA)—Mines and Energy Minister Ginanjar Kartasasmita said Monday [17 February] Indonesia was not satisfied with OPEC's latest agreement on production cut, saying the reduction was not fair and only favourable to the big producers.

The minister was speaking to the press upon arrival at Halim Perdanakusuma Airport here from Geneva after attending the sixth meeting of the Organization of Petroleum Exporting Countries (OPEC) Ministerial Monitoring Committee.

Ginanjar said the latest agreement to cut production would lower Indonesia's oil output to previous level.

Oil ministers of the 13 OPEC member countries had talks in the Swiss capital on February 12-15 to deliberate an agreement to cut the output by 1.2-1.4 million barrels per day (BPD) to 22.9 BPD in the second quarter of this year.

The production cut is needed to bolster the effort to bring the price higher.

In accordance with the latest agreement, Indonesia's crude output will be reduced from 1.4 million BPD to 1.347 million BPD, whereas Indonesia has the capacity to increase the output by 200,000 BPD from the previous level.

But Indonesia has accepted the decision for the sake of OPEC unity and as contribution to the common efforts to maintain market stability, Ginanjar said, adding that it was not the first time for Indonesia to sacrifice its interests for the purpose.

Three years ago, Ginanjar said Indonesia gave 100,000 BPD of its quota to Kuwait to help the organisation settle the quota problem. If Indonesia hadn't sacrificed part of its quota, its production would have been much bigger today, Ginanjar pointed out.

Indonesia is of the opinion that the agreed production level of 22.9 million BPD for the second quarter is fairly reasonable, though it would not prop up the price to 21 dollars per barrel (DPB), according to Ginanjar.

All the other members except Ecuador and Algeria are still producing above their quaotas, he said.

This agreement, I think, is rugged as we stuck to reservations and considered it (agreement) temporary in nature. Indonesia will abide by it, and we hope all OPEC members will abide by the agreement, Ginanjar said.

Ginanjar said Indonesia fully respected the rights of Saudi Arabia as a sovereign nation to take steps, but Indonesia also expected its contribution to OPEC's struggle to stabilize the market by producing crude [words indistinct] from the agreed quota of 7.8 million BPD.

Many members of the organisation, especially those facing political and economic problems, would be really grateful to Saudi Arabia if it would cut production at a fair level in accordance with its quota, Ginanjar said.

Four-day talks decided to lower Saudi crude production to 7.8 million BPD from 8.5 million BPD.

Saudi Arabia for several days during the proceeding of the talks insisted its determination to produce no less than 8.0 million BPD, which meant reduction of only 0.5 million BPD.

The production level might be felt unfair, but Indonesia and other OPEC members feel the same with their allocated quotas. It is only a kind of a call to other members of OPEC for the sake of OPEC solidarity, Ginanjar said.

Ginanjar said after the latest agreement OPEC should be ready to accommodate the Kuwait and Iraq's output until these two countries come to their respective quota levels. Indonesia respects their full memberships.

Indonesia will never demand a higher production level beyond its quota before the need of the two Gulf countries is fulfilled, Ginanjar said.

Indonesia will do otherwise, however, according to him, if the market demand rises above the ability of the two countries to comply with.

Indonesia will also never produce oil below its quota as long as there are other (member) countries still producing oil above their quotas for whatever purposes as Indonesia's oil output production is currently the lowest.

Indonesia agrees to the correction of the July 1990 agreement, including the calculation of the quotas as far as it is fairly done and in the interests of all, Ginanjar said.

FRETILIN Leader Notes Role in Dili Protest

BK2002072392 Jakarta ANTARA in English
0634 GMT 20 Feb 92

[Text] Dili (E. Timor), Feb 20 (OANA-ANTARA)—Jose Da Costa who said that he was the deputy of Xanana Gusmao, leader of the FRETILIN [Revolutionary Movement for an Independent East Timor] trouble makers group, claimed here Wednesday [19 February] evening that he was the main advisor of the demonstration leading to the November 12 incident in the provincial capital of East Timor.

The incident which according to the National Investigation Commission (KPN) killed around 50 and injured 91, actually would be followed up by another demonstration on February 5, Da Costa who was accompanied by his wife and his three-month-old child told newsmen.

"The plan was aborted because I was nabbed by the authorities on January 23," Da Costa said.

He said the February 4 demonstration was carefully planned to attract international attention, especially after the Portuguese parliamentary delegation cancelled its trip to East Timor on September 4, last year.

East Timor, formerly a Portuguese colony for over 400 years, in 1976 decided to integrate with Indonesia. Today, it is the country's 27th province.

Da Costa, who has a guerrilla name of Mahudu, was apprehended by the local security officers in his hiding place in Bairo Pite village, west Dili district, last January 23.

He said the November 12 incident had ruined many FRETILIN's plans as well as its clandestine organization which at the time already had an "international network."

"All FRETILIN's plan of activities was formulated by me and Xanana Gusmao in our hiding places in the jungle of East Timor," he said adding trouble makers group now only had about 200 members in the jungle with poor arms obtained from the [word indistinct]. While in detention, he said he had sent several letters to Xanana Gusmao and his friends asking them to surrender themselves, stop their causeless, useless and unnecessary struggle and start facing the future for the welfare for their families.

Da Costa is married to a primary school children in Bekora, in the outskirt of the East Timor provincial capital. [sentence as received].

"I have also asked my friends still hiding in the jungle to start thinking clearly because any causeless struggle will not solve their problems. They can do better in development activities beneficial for the East Timor people in general," he said.

Da Costa who is a graduate of a senior high school during the Portuguese colonial administration said he believed that his letters would get positive response.

"After all, life in the jungle has become very, very, difficult while FRETILIN leaders staying abroad have always been able to enjoy a nice living," he said.

Da Costa, who during his meeting with the press was flanked by Chief of the East Timor Police Colonel Ishak Kodijat, also said that the so-called peace boat Lussitene

Expresso, "would only cause problems, especially the feeling of hatred among the East Timorese."

The boat, reportedly carried 100 university students and newsmen on board, is planning to cast anchor on the Dili seaport later this month.

"The East Timor people need peace and if the boat does come in, it would be much better if it is towed away to the international waters," he said adding that he learned about reports around the Lussitene Expresso from the electronic media.

On his source of living during his guerrilla days in the jungle, he said he was much supported by the clandestine organization whose members include civil servants, private company workers and some people.

He refused to give the names of the clandestine organization's members, saying that all he knew about them had been reported to the local security officials interrogating him.

E. Timor Governor Appeals to Religious Leaders

BK1402041392 Jakarta THE JAKARTA POST in English 3 Feb 92 p 10

[Excerpts] Dili (JP): East Timor Governor Mario Viegas Carrascalao has appealed to religious leaders to help the provincial government maintain peace and security amidst rumors of an imminent anti-Indonesia demonstration by secessionists here.

In a written address delivered on Friday [31 January] by the provincial secretary while commemorating the Ascension Day of the Prophet Mohammad, Carrascalao said religious leaders should inform their congregations about the unresolved problems East Timor faces because of its development.

"Lack of information about the problems arising from development may create restlessness among the public and could eventually disturb the province's peace and stability," the governor stated.

His appeal came only a day after heightened security measures in Dili, the province's capital which witnessed a bloody incident in which some 50 East Timorese were killed last November when members of the Indonesian Armed Forces (ABRI) clashed with local people.

THE JAKARTA POST correspondent in Dili, Yakob Herin, reported that two trucks full of security troops armed with anti-riot equipment and tear gas were seen speeding along Dili's main streets. The troops were securing the area against a possible anti-Indonesian Government protest.

"There are rumors that in Ville Verde, a section in Dili, people are making banners to be used in a demonstration," one security official told the POST. Banners carrying anti-Indonesia slogans in last year's demonstration were prepared in that city's section, he added.

During the commemoration ceremony, chief of East Timor Military Command Brigadier General Theo Syafei called on the East Timorese people, particularly Moslem congregation to work together with the government to solve the problems faced by the province.

Touching on reports by the POST on Friday, Carrascalao said he had never been informed about either the defection of an East Timorese student to Portugal or the letters sent by East Timorese students to U.S. President Bush. [passage omitted].

Meanwhile, Carrascalao made an appeal to FRETILIN [Revolutionary Front for an Independent East Timor] fighters still hiding in the forests to return home.

"It is time for us to be united. It is impossible for us to struggle alone," Carrascalao said when he dedicated a new bridge in Manufahi regency some 125 kilometers to the south of Dili, Friday, ANTARA reported.

PNG Government Seeks Return of Irian Jayans

BK1402094492 Jakarta ANTARA in English 0837 GMT 14 Feb 92

[Text] Jayapura (Irian Jaya), Feb 24 (OANA/ANTARA)—The government of Papua New Guinea [PNG] has called on Indonesia to arrange soon for the return of 208 Irian Jaya villagers who were forcefully driven into PNG areas by trouble makers group (GPK) during an armed clash with security troops on January 24.

Irian Jaya Deputy Governor Sudrajat Nataatmaja said here on Friday [14 February] that the PNG government's request was submitted by the Mataiyo Rabura, Asian Affairs director of PNG's Foreign Affairs Ministry, at a meeting of both sides in Marauke on Tuesday [11 February].

Indonesia and PNG agreed at the meeting to return the 208 Marauke villagers to Indonesia because their presence in PNG was felt a burden, Nataatmaja said.

The repatriation will be carried out soon, he added.

The 208 villagers were driven into PNG's western province by the GPK members when they clashed with security officials who attacked a police station in Shota village, on January 24.

Nataatmaja quoted a report by the Marauke regent, saying that the GPK had used firearms which they seized from a hotel in Bensbach City, PNG's western province, near the border.

The deputy governor said on the occasion that the RI [Republic of Indonesia]-PNG meeting also suggested that the armed forces of the two countries establish cooperation to crack-down on the remnants of trouble makers operating along their border areas.

Logistics Chief Discloses Rice Import Figures

BK1502115392 Jakarta KOMPAS in Indonesian 3 Feb 92 p 2

[Text] Jakarta, KOMPAS—As of the end of 1991, a total of 178,880 tonnes of rice has been brought into the country. It consists of government purchases from world markets and rice loans returned to Indonesia by foreign countries. The remaining amount of rice to be imported in 1992 will depend on the domestic production and consumption.

Cooperatives Affairs Minister, concurrently chief of National Logistics Bureau, Bustanil Arifin, disclosed this to members of the Parliament's Commission VII at the Ganagraha Building on 30 January. The hearing was chaired by Syaiful Anwar Husein, vice chairman of the commission from the United Development faction.

Bustanil said more rice is needed to boost the domestic supply and that it should be imported gradually to meet market demands. In this connection, the government acknowledged the receipt of 10,000 tonnes from the Philippines and 56,815 tonnes from Vietnam, which they had borrowed from Indonesia. As for purchases from world markets, they are 35,800 tonnes from Thailand, 52,274 tonnes from India, 20,000 tonnes from the PRC, and 3,991 tonnes from Vietnam.

In view of the 1991 harvest failure because of a long drought, the government plans to import about 600,000 tonnes to boost existing stocks and prevent domestic price increases. Besides, the government is still waiting for Philippines and Vietnam to return the 78,000 tonnes they had borrowed.

Bustanil also disclosed the 1992-93 budget of the National Logistics Bureau which stands at 4.33 trillion rupiah. A total of 1.084 trillion rupiah is needed to buy 1.9 million tonnes from domestic sources. This includes 77 billion rupiah for importing 100,000 tonnes of rice allocated for the 1991-92 fiscal year.

The huge budget will also be used to purchase 2.2 million tonnes of sugar from domestic sources at 1.603 trillion rupiah and 361,000 tonnes of sugar from overseas sources at 331 billion rupiah. The National Logistics Bureau will also buy 19.68 million gunnysacks at 34 billion rupiah.

In the 1992-93 fiscal year, 450,000 tonnes of soybeans at 347 billion rupiah and 2.3 million tonnes of wheat at 342 billion rupiah will also be imported. To handle all these goods, the National Logistics Bureau also needs 46 billion rupiah for operational costs, 87 billion rupiah for management costs, 47 billion rupiah for banking expenses, and 310 billion rupiah for bank interests.

Laos

Premier Khamtai Siphandon's Thai Visit Reported

Economic, Political Ties Discussed

BK1902140592 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 19 Feb 92

[Text] According to news reports from Bangkok, this morning—the second day of the visit to the Kingdom of Thailand by His Excellency [H.E.] General Khamtai Siphandon, prime minister of the Lao People's Democratic Republic [LPDR], and party—an official welcoming ceremony was organized in honor of H.E. Prime Minister Gen. Khamtai Siphandon by H.E. Anan Panyarachun, prime minister of the Kingdom of Thailand, at Government House at 0930. After the welcoming ceremony, H.E. Prime Minister Gen. Khamtai Siphandon and party held talks with H.E. Prime Minister Anan Panyarachun and party.

Attending the talks on the Lao side were H.E. Phoun Sipaseut, deputy prime minister and foreign minister; H.E. Phao Bounnaphon, minister of foreign economic relations; H.E. Somsavat Lengsavat, minister attached to the Prime Minister's Office; H.E. Thongloun Sisoulit, deputy minister of foreign affairs; and H.E. Bounkeut Sangsomsak, Lao ambassador to the Kingdom of Thailand; along with a number of high-ranking cadres. Attending on the Thai side were H.E. Asa Sarasin, foreign minister; H.E. Itsaraphong Nunphakdi, interior minister; H.E. Suthi Singsane, finance minister; H.E. Amaret Sila-on, commerce minister; H.E. Michai Wirawaithaya, minister attached to the Prime Minister's Office; M.R. Kasemsamoson Kasemsi, minister attached to the Prime Minister's Office; H.E. General Suchinda Khraprayun, armed forces supreme commander and army commander; H.E. Nikhom Tantemsap, Thai ambassador to the LPDR; as well as a number of high-ranking officials concerned.

In the talks, which proceeded in a good atmosphere of mutual understanding and fraternal friendship, their excellencies the prime ministers of the two countries exchanged views on the promotion of bilateral relations. They expressed satisfaction over the fact that the friendly relations and cooperation in many respects between the LPDR and the Kingdom of Thailand have continually developed in the interests of the two countries in accordance with the aspirations and principles stipulated in the two Lao-Thai joint statements of 1979 and 1988. H.E. Gen. Khamtai Siphandon and H.E. Anan Panyarachun agreed with each other that the world situation of today has changed from confrontation to dialogue and concession aimed at settling disputes through political means for development and peaceful coexistence.

His excellency the prime minister of the Kingdom of Thailand welcomed the LPDR's official application for membership in the Southeast Asian Treaty of Friendship and Cooperation. Their excellencies the two prime ministers expressed pleasure over the earnest aspiration of the countries in Southeast Asia, including Laos and Vietnam, to achieve peace and friendship on the basis of the principles of respecting one another's independence, sovereignty, and territorial integrity; respecting one another's just interests; and jointly settling disputes through peaceful means.

With regard to the progress in Lao-Thai relations, their excellencies the two prime ministers expressed satisfaction over the three factors for maintenance of Lao-Thai relations, namely, establishment of the Lao-Thai Cooperation Commission, the General Border Peacekeeping Cooperation Commission, and the Joint Border Committee—the commissions and committee which will help promote cooperation and together settle bilateral problems through peaceful means on the basis of justice and common interests. The two sides agreed to the benefits that Laos and Thailand should gain from cooperation in developing hydroelectric works in Laos and cooperation in the economic, tourist, academic, and other fields for 1992.

After the talks, on the morning of the same day H.E. Prime Minister Gen. Khamtai Siphandon and H.E. Prime Minister Anan Panyarachun jointly signed a Treaty of Friendship and Cooperation between the LPDR and the Kingdom of Thailand, the treaty which will serve as a basis for the maintenance of durable relations between the governments and peoples of the two countries.

On the same occasion H.E. Phao Bounnaphon, Lao minister of foreign economic relations, and H.E. Michai Wirawaithaya, Thai minister attached to the Prime Minister's Office, also jointly signed an agreement on 1992 tourist cooperation between the tourism authorities of the LPDR and the Kingdom of Thailand. The agreement is designed to increasingly improve and raise the efficiency of tourism relations between the two countries on the basis of respect for each other's independence, sovereignty, equality, and mutual benefits.

Later, on the afternoon of the same day, H.E. Prime Minister Anan Panyarachun accompanied H.E. Prime Minister Khamtai Siphandon to Chiang Mai Province on board a special plane of the Thai Air Force to have an audience with His Majesty King Phumiphon Adunyadet at the Phuphing Ratchaniwet Palace.

Premier Meets With Thai King

BK2002070792 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 20 Feb 92

[Text] According to a report from Bangkok, after arriving in Chiang Mai Province yesterday afternoon, His Excellency [H.E.] Prime Minister Anan Panyarachun accompanied H.E. Prime Minister General Khamtai Siphandon to an audience with His Majesty King Phumiphon Adunyadet at the Phuphing Ratchanawet Palace. During the audience, H.E. Prime Minister Khamtai Siphandon conveyed the respects of H.E. Kaysone Phomvihan, president of the Lao Peoples' Democratic Republic [LPDR], and his wife to their majesties the king and queen, as well as his appreciation for the kindness and hospitality granted by their majesties the king and the queen to H.E. LPDR President Kaysone Pnomvihan during his friendship visit to Thailand from 6 to 11 January. After having a lengthy audience with the royal couple, the two prime ministers took leave of their majesties and returned to Bangkok by a special plane of the Royal Thai Air Force.

On the evening of the same day, H.E. Prime Minister Anan Panyarachun hosted a dinner banquet in honor of H.E. Prime Minister Khamtai Siphandon and his entourage at the Santimaitri Hall of Government House. During the reception, which proceeded in an atmosphere of good neighborliness, H.E. Prime Minister Anan Panyarachun invited the quests to toast the health of the LPDR president. After that, H.E. the Thai prime minister delivered a speech with the following keynote contents: The two countries—Thailand and Laos—have not only strengthened their mutual relations of friendship, but have also worked together to bring lasting prosperity and peace to Southeast Asia. H.E. Anan Panyarachun stressed that it is now time that all countries in this region turned their back on the past and looked ahead to set a goal of building a common future together. He was convinced that the Treaty of Friendship and Cooperation signed between Thailand and Laos would become a firm basis for mutual confidence and trust. In the meantime, the Kingdom of Thailand is waiting for Laos to become a full member of the Treaty of Friendship and Cooperation in Southeast Asia. The Thai prime minister expressed confidence that this would be an important development which would guide Southeast Asia into a new era—an era of peace, stability, and prosperity.

After the speech [of the Thai prime minister], H.E. Prime Minister General Khamtai Siphandon invited all the attendants at the reception to toast the health of His Majesty King Phumiphon Adunyadet and her majesty the queen. After that, H.E. the prime minister of the LPDR delivered a speech with the following main contents: H.E. Prime Minister Anan Panyarachun and I have signed the Treaty of Friendship and Cooperation and the Laos-Thailand joint communique, which will constitute a firm foundation for the strengthening of the friendship and mutual trust between our two countries for the mutual interest of the Lao and Thai peoples. They will contribute to the strengthening of peace, stability, and cooperation among the countries in this region. H.E. Prime Minister Khamtai Siphandon reiterated that the LPDR Government has steadfastly pursued a policy of establising relations with all countries in the world, especially neighboring countries, in order to broaden our economic and cultural cooperation with them, thus building and developing our country to become prosperous and progressive, and gradually improving our people's living conditions. On the basis of this spirit, I am of the view that our two countries—Laos and Thailand—should not have any problems which cannot be solved together.

The report also said that during the third day of their visit to the Kingdom of Thailand on 20 February, H.E. Prime Minister Khamtai Siphandon and his entourage are scheduled to visit the royal projects in the Chitlada Palace. After that, they will visit the Bangkok (?Poultry) Company Limited in Saraburi Province and the cement and iron rods factories there.

At 1930 on the same day, H.E. General Suchinda Khraprayun, Thai Armed Forces supreme commander and chairman of the joint Thai-Lao Cooperation Committee, will host a dinner reception in honor of the Lao prime minister and his entourage at the Shangri-La Hotel.

More Lao Refugees Return From Thai Camps

BK1802111092 Vientiane KPL in English 0904 GMT 18 Feb 92

[Text] Vientiane, February 18 (KPL)—Some 161 Lao refugees from Thai Nakhon Phanom camps of Nong Saeng and Na Pho were welcome home on Feb. 13 in Savannakhet Province.

They are the second group of Lao refugees there to have returned home on a voluntary basis this year.

So far, 18 batches of over 600 Lao refugees in Thailand have reportedly returned home via Savannakhet border point.

The returnees have been sent to a new settlement about 50 km north of Savannakhet town. The settlement was arranged under UNHCR's [United Nations Office of High Commissioner for Refugees] sponsorship.

Aid Materials Received From Thai Red Cross

BK1802104292 Vientiane KPL in English 0855 GMT 18 Feb 92

[Text] Vientiane, February 18 (KPL)—Charge d'Affaires A.I. of the Thai Embassy here Phongsak Ditsayathat, on behalf of Thai Red Cross, handed over here yesterday an aid package of medicines and medical equipment to Lao Red Cross President Dr. Khamliang Phonsena.

Worth 2.8 million kip, the aid was the first from Thai Red Cross to Lao Red Cross for Lao people suffering from natural disasters last year.

Talks Held With Thai Commerce Chamber Delegates

BK1802111492 Vientiane KPL in English 0927 GMT 18 Feb 92

[Text] Vientiane, February 18 (KPL)—Lao and Thai Chambers of Commerce held talks yesterday at Lan Xang Hotel in Vientiane.

Present at the talks on the Lao side were National Lao Chamber of Commerce and Industry President Khamma Phomkong, vice-presidents of the Chamber Chanpheng Bounnaphon and Pan Latsavong, and others, while the Thai side included Thai Commmerce Chamber President Yuk Na Thalang, vice-president of the Chamber Sulit Vangli, and standing member of the Chamber Chaleo Suwannakitti. Thai Ambassador to Laos Nikhom Tantemsap also attended the talks.

Both Khamma Phomkong and Yuk Na Thalang attached importance to organising the talks, the first between the two Commerce Chambers, which are intended to improve trade relations between Laos and Thailand.

Trade Dealings With Other Countries Viewed

BK2002105592 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 19 Feb 92

[PASASON 19 February article by So Phanthavong: "Markets Exist But Goods Are Unavailable"]

[Text] Sompadit Volasan, deputy minister of trade and tourism, said that in 1991 the Ministry of Trade and Tourism carried out activities to look for overseas markets for the promotion of our export, domestic production, and import. The ministry managed to sign trade agreements with Vietnam, China, Thailand, and the Soviet Union and conducted trading with Japan, Hong Kong, France, Singapore, the United States, and other countries. In particular, the ministry signed goods-exchange agreements with the former Soviet Union to deliver certain goods to that country to pay back debts for 1991. However, we managed to export only 2,000 out of the contracted target of 8,000 cubic meters of wood planks and 100 out of 1,000 metric tons of coffee promised; 100 metric tons of tin; and 400,000 cubic meters of (?plywood) to that country. So far, an agreement on the purchase of fuel oil from that country has not yet materialized.

As for our trade transactions with Vietnam, even though we have signed the trade agreement and other protocols for 1991 and a trade memorandum aimed at promoting production and export with that country, the practical implemention of these documents has not yet been fully realized. Problems involving the payment of debts through the banking system, transit goods, and goods brought into our country by passengers have not yet been resolved. In addition, some Vietnamese trucks entering the country frequently sell goods they bring with them to customers along the way, thus adversely affecting trading businesses of licensed traders along the route. However, to solve this problem, a duty-free zone for Vietnamese transit goods has been set up in Seno in Savannakhet Province before forwarding them to Thailand.

In 1991, trade exchange along the Lao-Chinese border amounted to some 28.7 million yuan [Chinese currency] or approximately U.S. $5.5 million—an increase of 14.40 percent compared to 1990. Of these, China exported goods worth 20.20 yuan or U.S. $3.7 million to

Laos while we exported goods worth 8.5 million yuan or U.S. $1.57 million to that counrtry.

In trading with Thailand, Laos has been granted special privileges by that country. Thailand has decided to reduce import duty on 16 items of agricultural products from Laos by collecting not more than 20 percent import tax from these goods. However, some goods have to be (?imported from) Thailand, such as coffee, soya bean, garlic, and [word indistinct]. At present, according to Provisional Regulation No. 699 reached between the two countries, 10 border points are to be open along the border with Thailand. To fight against smuggling of goods along the border, efforts have been made to encourage some Thai border provinces to sign trade memoranda with Lao counterparts. So far, such acts have already been carried out between Laos' Savannakhet Province and Thailand's Mukdahan Province and between Khammoane Province and Nakhon Phanom Province. The problem for tha Lao side at the moment is that even though Thailand has granted special tariff privileges on the import of Lao goods into Thailand, Laos is still unable to produce those goods for export to that country. Certain Lao agriculture experts claim that the goods granted special import-tax preferences by Thailand are difficult to produce and that producers are afraid that price fluctuations also prevent them from taking a risk to put those goods into Thai markets. However, the privileges given by Thailand have become an encouragement for Lao producers to carry out production.

As for trade with Cambodia in 1991, the Lao and Cambodian Governments have signed a trade agreement together. In fact, trading has already been carried out along the Lao-Cambodian border in Champassak and Attopeo Provinces. Several problems remain to be resolved in this connection.

Normal trade relations have been carreid out with Japan, France, Malaysia, Singapore, and Hong Kong under the international trading rule. In addition, Laos has also established relations with the Economic and Social Commission for Asia and the Pacific [ESCAP], [word indistinct], and the UN Food and Agriculture Organization, to learn lessons about export business and to gain privileges from industrialized nations.

Philippines

Aquino Downplays Value of Subic Drydocks

HK2002071892 Manila PHILIPPINES NEWSDAY in English 20 Feb 92 p 4

[By Dionisio Tubianosa]

[Text] President Aquino yesterday said the removal by the Americans of their drydocks from Subic would not spell doom for the area after the complete withdrawal of U.S. Forces from the base.

Mrs. Aquino stressed that the government was prepared with alternative development strategies for Subic, although she is still hoping U.S. President Bush would respond positively to her letter requesting that at least one drydock be left in Subic.

"Whatever happens to Subic, the government is prepared with alternative plans for the area. Even without the drydocks, there will be progress in the area," Mrs. Aquino told Malacanang reporters in a statement released by Press Secretary Horacio Paredes.

The Congress last week passed the bill which would serve as basis for the conversion of the baselands into productive commercial centers, including the establishment of a commercial free port at Cubi Point.

The measure, which is expected to be signed by Mrs. Aquino into law anytime now, would create the Bases Conversion and Development Authority which would serve as the lead agency tasked solely with the smooth and efficient conversion of the baselands into productive economic zones and prevent undue dislocations of some 40,000 Subic workers.

The drydocks, as reported earlier, would be pulled out by the Americans by May, at the earliest.

Earlier, Olongapo Mayor Richard J. Gordon batted for the approval of the establishment of a special economic zone in Subic, with a free port as its major component.

Gordon, who first proposed the setting up of a free port in 1980 as an alternative to the withdrawal of the Americans, said "it is imperative that a functional board be established soonest, so that the sad experiences in facilities abandoned by the Americans would not be repeated."

He said the board should supervise the protection and preservation of vital equipment and facilities.

Gordon cited the looting and decay that followed the pullout of American troops in Sangley Point, Clark Air Base, Wallace, and San Miguel.

"The people of Olongapo are ready to prevent this should the conversion measure be activated soon," Gordon said.

Base workers have not only identified the key areas inside the base which could be immediately exploited. They had also expressed their desire to invest directly, Gordon said.

CDI Endorses Ramos, Osmena as Candidates

HK2002022392 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 19 Feb 92

[Text] The Christian Democrats International [CDI] has endorsed former Defense Secretary Fidel Ramos as their candidate for the Philippine presidency. According to the Brussels-based CDI, it has endorsed the candidacies of Ramos and Cebu Governor Emilio Osmena. The CDI considered Ramos' speech on the military's big role in defending democracy, which was used in Chile against the dictatorship of General Pinochet. The CDI added that Ramos is worthy of becoming the country's president because of his hand in the ouster from power of his cousin, the late former President Marcos.

Congress Record on Economic Legislation Criticized

HK2002034092 Manila THE CHRONICLE in English 20 Feb 92 p 4

[Editorial: "Congress Was Weak on the Economy"]

[Text] The outgoing Congress of the Republic of the Philippines bows out with an unremarkable record of economic legislation.

The "cornerstone" agrarian reform program suffers from watered down legislation. The defective law slows down implementation of a program envisioned to raise agricultural productivity and reduce rural poverty.

This Congress has closed its books without action on the revenue enhancement measures proposed by the administration, particularly refinements on the value-added taxation [VAT] scheme. The refinement on the VAT system was ably argued by Sen. Tamano but the declining credibility of our finance officials hampered prompt legislative action.

The 1987 Constitution mandated the creation of a truly independent economic planning agency to supplant the existing National Economic and Development Authority. The creation of such a body was left to an enabling act by this Congress. No bill, however, was introduced to fulfill the Constitution's mandate.

The Constitution also prescribes putting all government-owned and -controlled corporations under the congressional power of appropriation. On this item, too, no bill was introduced in the Congress even as such legislation would have enhanced the institutional powers of the legislative branch and diminished over concentration of powers in the Executive branch.

The Constitution likewise mandates the creation of an independent central monetary authority. Such an agency is envisioned to provide the financial stability that is indispensable to the encouragement of long-term investments in our economy. Again, no bill has been introduced in Congress in this regard even as the present monetary arrangement lends itself to so much uncertainty.

The institutional reforms described above have direct bearing on our economic performance. They are intended to assure institutional continuity and enhance the capability for long-term planning given an often volatile domestic political situation. They would also assure the depoliticization of the main bureaucratic instruments, a process that can only improve the coherence and cogency of our economic policies. They would help lengthen the horizon of planning, by far a critical weakness in our existing structures of governance.

The same goals could be reinforced by the establishment of an independent think tank as proposed by Sen. Vicente Paterno. This agency would vastly improve government's capacity for longer-term strategic planning on critical areas affecting national development.

Related to this is the proposal to organize a Department of Energy that would coordinate all efforts and plans relating to our nation's energy needs. While there has been much talk about this, specially in the light of critical power shortages and the inefficacy of existing energy agencies, no action has been initiated by the outgoing Congress to legislate a more adequate structure into existence so that a glaring problem could be immediately met.

Congressional inaction on key economy-related legislation will burden the next administration. The infrastructure of governance for more adequate economic management has not been legislated into place. The next government will virtually begin from scratch.

Some of the blame for this will have to be passed to the Constitutional Commission of 1987. The framers of the Constitution did not take advantage of the fact that a revolutionary government was already in place. They left too much for the Congress to dilly-dally with.

The bulk of the blame, however, will have to be put squarely at the feet of this outgoing Congress. There has been inferior assiduousness on the part of our legislators in doing what has to be done. On the revenue enhancement measures, particularly, short-term political convenience rather than long-term national requirements were allowed to rule the day.

It must be said, too, that the institutional reforms mandated by the Constitution required the preparation of complex and sophisticated legislative bills. The resounding absence of even draft legislation relating to the abovementioned institutional reforms may be an admission of the lack of competence of most of our legislators. The complexity of modern legislative issues, especially those relating to economic development, requires solid preparation on the part of our legislators.

The lesson here is clear. Next May, we should elect more competent people to the legislature.

Navy To Strengthen Defense on Spratlys Island

HK2002013092 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 19 Feb 92

[Text] The Philippine Navy will increase its facilities in Kalayaan Island in the Spratlys this week to strengthen its defense on the island, which is being claimed by other countries. A battalion of the Naval Construction Brigade, popularly known as the Sea Bees, left Cavite Naval Station for Kalayaan Island under the leadership of Commandant Felixberto Dais. Chief Rear Admiral Mariano Dumancas Jr. said the Sea Bees will construct garages for tanks which will be brought to the island. Dumancas added that the Philippine Navy operation will improve defense against those trespassing in the territory.

The Philippines claims eight islands in the Spratlys, the biggest of which is Kalayaan Island.

RAM Accuses Aquino of Deceiving People on NPA

HK2002074092 Manila PHILIPPINES NEWSDAY in English 20 Feb 92 pp 1, 2

[By Julian V. Cruz, news editor]

[Text] The Rebolusyonaryong Alyansang Makabansa [Revolutionary Alliance Movement] (RAM) yesterday accused President Aquino and some of her favorite generals "of deceiving the public and misleading our soldiers into believing that the insurgency problem had already been broken."

In a statement released to media, Garbriel [as published] Dimasupil (obviously a nom de guerre), who identified himself as RAM spokesman, cited the latest attack by the communist insurgents against the camp of the 23rd Army Battalion in Marihatag, Surigao del Sur, during which 41 soldiers were killed and 17 others wounded.

The attack occurred mid-day a few days ago and a six-hour battle ensued. The RAM version differs from the Armed Forces report to Camp Aguinaldo in that the AFP [Armed Forces of the Philippines] report said the soldiers were on their way to attack a rebel camp when they were ambushed. The RAM version said it was the communist rebels who mounted a battalion-size attack on the AFP encampment.

"The reality is that the Aquino administration is losing in the political, social and economic front where the Communist Party of the Philippines (CPP) built its foundation and has made tremendous gains over the last three decades," the RAM statement says.

The RAM claims that what Mrs. Aquino and her generals are feeding the public "are doctored reports of the fighting between the military and the New People's Army (NPA), CPP's armed component."

The RAM says for example the government propaganda experts have been reporting that the number of communist insurgents has been reduced from 25,000 in 1987 to 15,000 at the beginning of 1992 "as a result of 'Oplan Lambat Bitag,' [Operation Plan Net Trap] the Armed Forces' counterinsurgency operations."

"What the government does not realize, assuming its report was true, is that 15,000 constitute the largest concentration of communist guerillas anywhere in the world," says the RAM statement. and this explains the NPA's capability to launch batallion-size attacks.

The RAM says the Aquino regime cannot hope to win the insurgency war as long as it employs the American doctrine which is called the mosquito approach—"that of killing the mosquito one by one instead of draining the water that breeds the mosquito."

The RAM assails "the lack of a coherent insurgency plan" which it says has already "resulted in the death of many of our finest officers and dedicated soldiers as well as innocent civilians caught in the crossfire."

The RAM further charges that the government "has failed to provide our soldiers the legal, moral and psychological tools necessary to wage an insurgent war." This is a failure of leadership, the RAM says.

The statement urges the soldiers in the field to rely on their own collective initiative rather than to depend on the "deplorable incompetence of this government."

The RAM statement follows in full:

"The MOVEMENT is accusing President Aquino and some of her favorite generals of deceiving the public and misleading our soldiers into believing that the insurgency problem had already been broken.

"The reality is that the Aquino administration is losing in the political, social and economic front where the Communist Party of the Philippines (CPP) built its foundation and has made tremendous gains over the last three decades.

"What Mrs. Corazon Cojuangco Aquino and her favorite generals have been dishing out regularly to the public are doctored results of the fighting between the military and the New People's Army (NPA), CPP's armed component.

"For example, government propaganda and psywar experts have been reporting that the number of NPAs has been reduced from 26,000 in 1987 to 15,000 at the beginning of 1992 as a result of "Oplan Lambat Bitag," the Armed Forces' counterinsurgency operations.

"What the government does not realize, assuming its report was true, is that 15,000 constitute the largest concentration of communist guerillas anywhere in the world. And the NPAs are employing battalion-size forces in their attacks against military units. The latest was the midday attack on the camp of the 23rd Army Battalion in Marihatag, Surigao del Sur, where 41 soldiers were killed and 17 others were wounded.

"The truth is that the Aquino regime cannot hope to win the insurgent war by employing American doctrine which is largely based on the mosquito approach—that is killing the mosquito one by one instead of draining the water that breeds the mosquito.

"Its lack of coherent counterinsurgency plan has already resulted in the death of many of our finest young officers and dedicated soldiers as well as innocent civilians caught in the crossfire.

"Mrs. Aquino has failed to provide our soldiers the legal, moral and psychological tools necessary to wage an insurgent war. She and her favorite generals cannot escape responsibility for their failure of leadership.

"To our comrades in the field: rely on your own collective initiative rather than depend on the deplorable incompetence of this government. We assure you that we will be together in the near future to make this country free from threat, intimidation and harassment from its enemies.

"For the MOVEMENT:

"(Sgd.) [signed] Gabriel Dimasupil

"RAM Spokesman"

Guerrilla Group Kills More Militiamen

HK2002030392 Manila THE CHRONICLE in English 20 Feb 92 p 1

[By Hermie Gomez]

[Text] Cagayan de Oro City—About 100 teenage communist guerrillas, believed responsible for Saturday's attack in Marihatag, Surigao del Sur killing 38 soldiers on the scene and beheading some of them, stormed a barangay yesterday in neighboring Agusan del Sur in an attempt to hold it hostage and stop pursuing troops.

The young rebels launched the attack after learning that they were being pursued by troops of the 401st Infantry Brigade in Agusan del Sur, military sources said later after talking with some residents.

Police Chief Superintendent Honesto Bumanlag, the PNP [Philippine National Police] director for Northern Mindanao, confirmed the new attack, saying the rebels, "at least 100 of them," assaulted the Citizens' Armed Auxiliary Unit in barangay San Isidro, Sibagat town, at 5:30 a.m., killing five paramilitary volunteers and seriously wounding two others. He did not name the casualities.

"They knew that they were cornered. That's why they wanted to hold the innocent civilians in San Isidro as their hostages," Bumanlag said. Sibagat is about 70 km east by air from Marihatag.

Military reports showed the young rebels were part of the group led by Frank Navarro, a former Roman Catholic priest and now head of the communist rebels in Northern Mindanao. Navarro's group has owned responsibility for the ambush in barangay Aras-asan, in Marihatag, in which 42 soldiers have now died, counting four of the 21 wounded taken to hospital.

After finding the area not yet held by military troops who were being transported and supported by helicopters, the rebels released the barangay residents unharmed.

Minutes after their withdrawal, soldiers caught up with them and a 15-minute gunbattle ensued, but reports on casualties were not available immediately.

Army Brig. Gen. Quintin Alcudia, the 4th Infantry Division chief, had ordered the 36th Infantry Battalion to track down the fleeing rebels.

Helicopter gunships continued to fly over the border of Agusan del Sur and Surigao del Sur yesterday to back up hundreds of ground troops hunting the guerrillas.

Thailand

Lao Premier Arrives for Official Visit 18 Feb

BK1802131292 Bangkok Radio Thailand Network in Thai 1200 GMT 18 Feb 92

[Text] Lao People's Democratic Republic [LPDR] Premier General Khamtai Siphandon arrived at 1500 today aboard a special aircraft at the airport of the Thai Air Force Headquarters to begin a three-day official visit to Thailand as a guest of the Thai Government. He was welcomed by Wiraphong Ramangkun, the deputy finance minister. The LPDR premier's 11-strong delegation includes Vice Premier and Foreign Minister Phoun Sipaseut, Minister Attached to the Premier's Office Somsavat Lengsavat, Trade Minister Phao Bounnaphon, and Deputy Foreign Minister Thongloun Sisoulit.

The LPDR premier and his delegation will be received by his majesty the king at Phuphing Palace in Chiang Mai Province at 1600 tomorrow. During the visit, the LPDR premier will hold official consultations with Thai officials and sign bilateral agreements. He is also scheduled to visit several development projects.

The Thai Government will hold an official reception ceremony for the visiting Lao delegation at Government House at 0930 tomorrow.

His Excellency Khamtai was elected to the premier post at the Supreme People's Council meeting on 14 August 1991.

Signs Cooperation Agreements

BK1902080392 Bangkok Radio Thailand Network in Thai 0550 GMT 19 Feb 92

[Text] At 1135 this morning at the Santi Maitri Hall in the Government House, three bilateral cooperation agreements were signed by Thai Prime Minister Anan Panyarachun and Lao People's Democratic Republic [LPDR] Premier Khamtai Siphandon.

After the signing of the Thai-Lao cooperation accords, Prime Minister Anan Panyarachun remarked as follows:

[Begin Anan recording] I feel honored and very pleased to participate today in the signing of a Treaty of Amity and Cooperation between Thailand and Laos and the issuance of a Thai-Lao Joint Communique with His

Excellency Khamtai. I am also pleased to witness the signing of an agreement on tourism cooperation. The signing of the Treaty of Amity and Cooperation between Thailand and Laos is to be regarded as a special historic event between Thailand and Laos. It stresses the fact that Laos is a neighboring country which has very special and close relations with Thailand. It is the first treaty within a bilateral framework that Thailand has ever signed with a neighboring country. This treaty will provide guidelines for the implementation of our bilateral relations, which are based on peaceful coexistence and the solving of problems and conflicts through peaceful means. Furthermore, it will also provide the basis for further cooperation between Thailand and Laos. The tourism agreement is the first such agreement Laos has ever signed with another country. The agreement will provide opportunities for Thailand to assist Laos in the training of Lao officials, the promotion and development of tourist attractions, the exchange of information and data on tourism, and the exchange of tourist information offices in the capitals of each country. [end recording]

LPDR Premier Khamtai Siphandon also remarked on the occasion:

[Begin Khamatai Siphandon recording in Lao] With regard to the importance of the treaty, the joint communique, and the tourism agreement, His Excellency Prime Minister Anan Panyarachun has already expressed his view. In my opinion, these are documents of historic significance, for they will serve as the groundwork for the enhancement of relations between two countries which are neighbors to each other, two brotherly countries; the peoples of our two nations are close relatives. I hope that these important documents will be maintained and increased in value by turning their concepts into practice through the relations and cooperation between our two countries. [end recording]

Expresses Confidence in Ties

BK1902140392 Bangkok Radio Thailand Network in Thai 1200 GMT 19 Feb 92

[Text] Today at Government House, three documents were signed between Thailand and Laos on tourism cooperation, the friendship and cooperation treaty, and the joint communique between the Thai and Lao prime ministers. After the signing, Prime Minister Anan Panyarachun said the three agreements represent the policy of both the Thai and Lao Governments to promote measures based on mutual trust to create good relations between the two countries and peoples. In the past 11 months, the Thai Government has responded to the Lao Government's wishes. The prime minister said as his government's term is ending, he thanked the Lao Government for the official visits by the Lao president and other senior officials, which would further strengthen the long-existing relations between the two countries.

Lao Premier Khamtai Siphandon said the signing of the cooperation agreement will further enhance good bilateral relations. He is confident the new Thai and Lao Governments will proceed to produce concrete results in bilateral cooperation. He said no specific time has been set in the agreement so that Thai-Lao cooperation will last forever.

Speaking to newsmen after the signing ceremony, Prime Minister Anan said the Thai Government has a plan to assist Laos by bringing Lao students and officials for training in Thailand and providing training for Lao development officials in the Thai National Economic and Social Development Board. Cooperation also exists in the Mekong Committee and the Thai assistance in electricity generation and purchase in Laos. He said Thailand and Laos share the same views regarding the Cambodian peace process and the Laos signing of the ASEAN Treaty of Amity and Cooperation, which would enable Laos to observe future ASEAN meetings.

Meanwhile, Foreign Minister Asa Sarasin said Thai-Lao relations have reached the highest point as both countries understand each other well. The important point in the current visit of the Lao premier is the signing of the Thai-Lao Friendship and Cooperation Treaty which Laos has never signed with any country.

Gives Speech at Banquet 19 Feb

BK2002032392 Bangkok Radio Thailand Network in Thai 0000 GMT 20 Feb 92

[Text] Yesterday evening at the Santi Maitri Hall in the Government House compound, the Thai Government hosted a banquet in honor of the Lao People's Democratic Republic [LPDR] chairman of the Council of Ministers, General Khamtai Siphandon, and his party, who were on their official visit to Thailand.

The Thai prime minister invited all present at the dinner to toast the president of the LPDR. After that, Premier Anan delivered a speech:

[Begin Anan recording] Your Excellency Mr. Prime Minister, our two countries have not only carried out actions to strengthen our bilateral relations, but are also working together to promote prosperity and continued peace in Southeast Asia. Now is the time for all the countries in the region to turn their backs on the past and look ahead in order to jointly set a target and create the future. I am confident that the Thai-Lao Treaty of Amity and Cooperation will serve as a firm foundation for mutual confidence and trust. With the same reason, we are looking forward to the day Laos becomes a full-fledged member of the ASEAN Treaty of Amity and Cooperation. I believe that the participation of Laos in the ASEAN treaty will be a significant step which will lead Southeast Asia to a new era of peace, stability, and prosperity. [end recording]

Then, the LPDR premier proposed a toast to Their Majesties the King and Queen and made a reply speech as follows:

[Begin Khamtai Siphandon recording in Lao] Prime Minister Anan Panyarachun and I have jointly signed the Treaty of Amity and Cooperation between the two countries, which is a Lao-Thai joint statement. The treaty will serve as a solid base for the strengthening of friendship, mutual trust, and cooperation between our two countries; and for the benefits of the Lao and Thai peoples. It will also contribute to the enhancement of peace, stability, and cooperation among the countries in this region. I therefore want to stress once more that the Government of the Lao People's Democratic Republic maintains its firm policy of promoting relations with all other countries in the world, especially with neighboring countries. With the expansion of economic and cultural cooperation will come progress and development for the country as well as steady improvements in the well-being of the people. In this regard, I think that in Lao-Thai relations there will be no problem that we will not be able to solve together. [end recording]

After that came a Thai classical dance performance by the Fine Arts Department, which greatly pleased the visiting LPDR prime minister.

Laos Plans To Seek Observer Status at ASEAN

BK1902150392 Bangkok Army Television Channel 5 in Thai 1230 GMT 19 Feb 92

[Text] The Lao deputy foreign minister says his country is interested in economic and free trade matters as well as the ASEAN Free Trade Area and is studying the issue. Deputy Lao Foreign Minister Thongloun Sisoulit, who is part of the Lao premier's delegation, said during an interview this morning that Laos is interested in the formation of the ASEAN Free Trade Area [AFTA], which was a topic of great interest at the recent ASEAN Summit in Singapore. However, Laos cannot comment at this time whether the AFTA is good or not until it has studied its implications. He said Laos has already submitted a request to ASEAN to attend its future meetings as an observer.

[Begin recording] [Thongloun in Lao in progress] ... ASEAN meetings first. I heard about the free trade area issue, but whether or not Laos can join it remains to be seen, because Laos will ask to attend the ASEAN meetings as an observer first. [end recording]

Asa To Set Deadline for Khmer Refugee Arrivals

BK1902144192 Bangkok Army Television Channel 5 in Thai 1230 GMT 19 Feb 92

[Text] Thailand reportedly plans to set a deadline with the United Nations to prevent the influx of Cambodian refugees. Foreign Minister told newsmen that the influx of a group of Cambodian refugees could have been caused by United Nations aid to these refugees. Thailand will have to set a deadline with the United Nations on the arrival of Cambodian refugees.

[Begin recording] [Asa in progress] ... There must be a cutoff date [two preceding words rendered in English], to be set by Thailand and the United Nations, so that Cambodians who enter Thailand after that date will not be accepted. This will prevent the further arrival of refugees. [end recording]

The foreign minister also talked to newsmen about the ship Australia Tide which illegally gathered treasure from the Thai sea and its plan to sue the Thai Government. He said Thailand cannot stop the ship operators from taking legal action, but he reiterated that Thailand has the protective right. He said Thailand will use diplomatic channels to resolve the matter.

Foreign Minister Reports on Trip to Malaysia

BK1902115392 Bangkok Voice of Free Asia in Thai 1030 GMT 19 Feb 92

[Text] Foreign Minister Asa Sarasin gave an interview at the airport of the Air Force Headquarters yesterday after returning from the joint Thai-Malaysian commission meeting in Langkawi, Malaysia. He said a new agreement has been reached stating that the Malaysian-built wall near the Thai-Malaysian border is located in Thai territory and that Malaysia has agreed to demolish it and accepted the Thai border line. The foreign minister said this has not resulted in any loss of territory for Thailand, noting that the borderline is in compliace with the Thai-British treaty. He said the purpose of the wall is to discourage smuggling, as there was a big difference in prices of certain commodities such as palm oil between Thailand and Malaysia. He believed that once the ASEAN Free Trade Area is established a wall would not be necessary.

The foreign minister said in his meeting with senior Malaysian officials, that everyone has agreed on the need to cultivate good relations and to quickly solve the outstanding problems between the two countries, especially on the setting of border demarcation posts. This is near completion with only the portion between the 69th and 72d posts to be finalized. In any event, both sides have pledged to cooperate to solve all aspects of the border problem, and not just those involving the Chinese communist guerrillas. It has also been agreed that local Thai and Malaysian officials should meet more often because problems could be tackled before they escalated.

The foreign minister said he went to Perlis after Langkawi to meet with the Sultan. The Sultan accompanied him to Songkhla Province to discuss economic matters with Thai officials and members of the private sector. This was a good sign of cooperation between the two countries.

Joint Group Formed for Vietnam Fuel Exploration

BK2002013792 Bangkok THE NATION in English 20 Feb 92 p B10

[Text] PTT Exploration and Production Co (PTTEP) has formed a joint working group with Petro Vietnam to investigate hydrocarbon fuel potential in Vietnam.

The agreement was signed earlier this month. The first joint meeting is expected to take place in March.

The formation of the working group came after Thailand and Vietnam signed a memorandum of understanding on energy cooperation.

The proposed study will isolate geographical areas where the two sides can form a joint venture. One of them is an overlapping area in the Gulf of Thailand where Belgian-based Petro Fina conducted exploration. Petro Fina covered eight plots, and recently handed back five of them to the Vietnamese government.

A source from PTTEP said the area is of interest, located as it is close to the natural gas pipeline route. The concession could be explored under a production-sharing arrangement or through a joint venture with Vietnam, the sources added.

The source said PTTEP is also interested in joining Petro Fina in exploring the three remaining plots which have not been handed back to the Vietnamese government. But no serious talks have taken place in that regard.

The source said the plan to invest in a gas separation plant in Wungtao, Vietnam, now has a competitor from Canada. The investment will be in the region of Bt [baht] 7 billion.

Protests Mount Over Patent Act Amendments

BK2002004392 Bangkok BANGKOK POST in English 20 Feb 92 p 16

[Text] Opponents of amendments to the Patent Act have urged members of the National Legislative Assembly (NLA) to provide a phase-in period of more than 180 days in a last-ditch attempt to change provisions in the amendment.

The controversial draft bill will be submitted to the NLA on Friday for its second and final reading. Representatives of the Students' Federation of Thailand and other related opposition groups were expected to rally in front of Parliament House to protest against the bill.

Yesterday Chulalongkon University Law and Development Centre director Surakiat Sathianthai organised a meeting between all related opposition groups to rally opposition to the bill.

Dr Surakiat said there was no argument that Thailand had to amend its Patent Act to provide more protection for foreign products, particularly pharmaceuticals.

But the Act should not be amended simply to yield to pressure from the United States, which Thai Governments had tried to do for the past few years, he said.

"Although the draft bill does not provide the protection demanded by the US, it is unlikely that the American Administration will retaliate against Thailand under Section 301 of the US Trade Act," he said.

Dr Surakiat urged members of the NLA to provide a two-year grace period for the introduction of the bill to reduce its negative impact on pharmaceutical products, instead of the 180 days provided for in the existing draft bill.

The phase-in period for bringing pharmaceutical products under the protection of the Patent Act should be longer because recent draft General Agreement on Tariffs and Trade (GATT) rulings on the issue allowed developing countries to delay the date of application for four years.

"It would be too obvious to the US if the Thai Government decided to delay its patent protection on pharmaceuticals for four years, but I think a two-year period should be accepted by the US, even if it does not like it," he said.

During the two-year phase-in period, patent applications for pharmaceutical patents could not [be] filed.

Dr Surakiat also urged the Government to retain Article 77 of the existing law to ensure foreign patent holders did not use their exclusive rights to take advantage of Thai consumers. The article was a mechanism to protect the poor.

"Although under the draft bill the Government will set up a price monitoring board on pharmaceutical products, it may not be enough to prevent unfair trade by some unscrupulous patent holders," he said.

A representative of an umbrella organisation for the Basic Health Group at yesterday's press conference insisted a four-year grace period would be more practical and still conform with GATT rules.

Suchinda Criticizes Democrats in Election Speech

BK1802012192 Bangkok THE NATION in English 18 Feb 92 p A1

[Text] Democrat Party criticism of the National Peacekeeping Council [NPKC] was merely a ploy to attract voters' attention, military chief Suchinda Khraprayun said yesterday.

"They are politicians who care for nothing but the number of votes they are going to get in an election," Gen Suchinda said, referring to outspoken candidates who addressed the Democrat Party's first campaign rally at Sanam Luang last Thursday.

"All the problems facing our country today can be traced to the way the Democrat Party carried out their election campaign," said Suchinda, also deputy NPKC chairman. He did not elaborate.

The general said he had not considered filing a defamation suit against the Democrat speakers because he saw no point in doing so.

"The Democrat Party is like a piece of tree branch that is too old to bend to be of any use," Suchinda said.

However, he said members of the public would decide whether the Democrat Party's criticism of the military council was fair.

At the campaign rally in question, Democrat Party candidates criticized the military council as the main impediment to the country's attainment of full democracy. The NPKC seized power in February last year, purportedly to carry out political reform and promote democratization.

Songkhla MP candidate Trairong Suwannakhiri went as far as calling the overthrow of a democratically-elected government "an act of animalism and barbarism".

Responding to Suchinda's comment, Surin Phitsuwan, the Democrat candidate for Nakhon Si Thammarat, said statements critical of the military made by Democrat speakers were part of the party's analysis, carried out in good faith, of the Thai political system.

"The people have the right of access to information, analytical as well as factual, on the nature of Thai politics. They are about to make an important decision in the general election on March 22," Surin said yesterday.

He said those offended by the remarks made by Democrat speakers had the right to express their views and provide the public with facts and figures to rebut the Democrat assertions.

"If the military council could not tolerate criticism or holds itself above criticism, then the democratization it professed to be doing would not go very far," Surin said.

Lt Gen Phaibun Hongsinlak, commander of the First Army Region, warned politicians against unfairly attacking his superiors in the National Peacekeeping Council, saying political parties would do better to concentrate on publicizing their policies.

Another 25 'Urgent' Bills Sent to Assembly

BK1802014592 Bangkok THE NATION in English 18 Feb 92 p A1

[Text] The call for the Anan Administration to refrain from aggressively pushing new legislation through the National Assembly has apparently fallen on deaf ears. The government has dumped another 25 bills at the interim legislature's door.

Each piece of new legislation was labelled "urgent matter". Included were bills dealing with parliamentary officials' personnel management, marine transport in Thai territorial waters, local administration, industrial standards, anti-smoking, the Provincial Electricity Authority, the transfer of monastic properties and bills giving autonomy to 18 separate state universities.

Parliament Secretary General Phaisit Phiphatkun yesterday asked the National Assembly to put on its agenda the bills which would add to the assembly's backlog of some 50 pieces of legislation.

Leading members of the National Assembly, including Somphong Hotrakit, adviser of the National Peacekeeping Council, accused the government of flooding the legislature with bills, several of which he described as "ill-conceived".

Ukrit Mongkhonnavin,president of the National Assembly, urged the government not to send any more "petty" legislation to the assembly because of too little remaining time.

The university bills would grant autonomy to all but three state universities—Thammasat, Ramkhamhaeng and Sukhothai Thammathirat.

Since its establishment on March 20, 1991, the National Assembly has passed a total of 169 pieces of legislation of the 232 proposed by the Anan government.

Vietnam

Spokeswoman Holds Regular News Briefing 20 Feb

On PRC Relations, MIAs, Repatriation

BK2002111192 Hanoi Voice of Vietnam in English 1000 GMT 20 Feb 92

[Text] Speaking at the regular press conference in Hanoi on Thursday [20 February], the Vietnamese Foreign Ministry spokeswoman, Mrs. Ho The Lan, said that Vietnam, as always, recognizes the People's Republic of China as the only legitimate government of the entire China. Taiwan is an inseparable territory of China. The relations between Vietnam and Taiwan are those of trade and economy on a nongovernmental basis. Specific relations, including that of airlines, will also be in that spirit.

Concerning the report by the French television and by the VOA [Voice of America] that at present, Vietnam is still detaining 72 prisoners of war, Mrs. Ho The Lan said: Vietnam's Office for Seeking Americans Missing in Action [MIA] on Wednesday [19 February] sent a note to the U.S. MIA Office in Hanoi flatly rejecting the abovesaid allegation, considering it an ill-intentioned act against Vietnam and an irresponsible act toward the American people. Vietnam asks the U.S. to give explanations to the world public, including the American public.

On the repatriation of those Vietnamese who illegally left the country for Hong Kong, Mrs. Ho The Lan said: Despite numerous difficulties in solving this issue, Vietnam is prepared to take back those people in the principle of respect for dignity, in order and safety, and with necessary financial assistance from other countries and international organizations.

Views Nearing Ties With Seoul

BK2002113892 Hong Kong AFP in English 1124 GMT 20 Feb 92

[Text] Hanoi, Feb 20 (AFP)—Vietnam is moving in the general direction of establishing diplomatic relations with South Korea, but diplomatic ties with Taiwan are out of the question, an official spokesman said Thursday.

"It is obvious that Vietnamese-South Korean relations will develop in that general tendency," Foreign Ministry spokeswoman Ho The Lan replied when asked whether Seoul and Hanoi officials had met to discuss diplomatic ties.

"Many official South Korean delegations have paid visits to Vietnam," she added. "But allow me not to predict specifically" when diplomatic relations could be established.

The warming of Hanoi's position toward anti-communist South Korea follows accords between Seoul and Pyongyang on reconciliation and denuclearization, as well as a tacit accord on dual representation at the United Nations.

"We welcome these agreements," Lan said.

At the same time, Vietnam is campaigning to improve relations with its more prosperous Asian neighbors following the collapse of its main ally the Soviet Union.

South Korea is poised to move rapidly up the scale of leading foreign investors in Vietnam this year from its current 12th postion, after a consortium led by the state-owned Korea Oil Development Co. was allocated a prime oil exploration block off Vietnam's southern coast in January.

The consortium, which groups South Korea's eight major industrial groups, is also bidding to develop the newly discovered Dai Hung (Big Bear) oil field.

Taiwan is currently the leading foreign investor in Vietnam, but diplomatic relations are out of the question, Lan said, reaffirming Hanoi's recognition of Beijing as the "sole, legitimate representative of all China, of which Taiwan is an integral part."

But she let it be understood, in response to a question, that the political stance would not continue to block direct flights from Taipei.

"Relations between Taiwan and Vietnam are non-governmental economic relations. Specific relations including aviation relations are practiced in this character."

Visiting Chinese Foreign Minister Qian Qichen said last week that Hanoi and Beijing had reached a "clear agreement" on Taiwan-Vietnam flights, but he did not elaborate. Chinese pressure was blamed when the flights were blocked last year.

Further Reportage on Qian Qichen Visit

Army Paper Views Results

BK1702103192 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 16 Feb 92

[16 February QUAN DOI NHAN DAN article: "A New Development in the Full Normalization of Sino-Vietnamese Relations"]

[Text] The official visit to Vietnam from 12-15 February by PRC State Council member and Foreign Minister Qian Qichen has successfully ended. The visit marks a new development of important significance in the bilateral relations which were officially normalized following the Sino-Vietnamese summit meeting in Beijing in November 1991.

During his stay in our country, State Council member and Foreign Minister Qian Qichen was cordially received by Comrade General Secretary Do Muoi; Comrade Nguyen Van Linh, adviser to the party Central Committee; and Comrade Council of Ministers Chairman Vo Van Kiet.

The talks between Foreign Minister Nguyen Manh Cam and Foreign Minister Qian Qichen took place in an atmosphere of friendship, openness, and mutual understanding. The two ministers reviewed the development of relations between the two countries since the Sino-Vietnamese summit meeting in November 1991 and noted with pleasure that so far, those relations have developed for the better in many fields.

The two ministers exchanged views and unanimously agreed on a number of measures to develop the relations between the two countries a step further in the spirit of the joint communique and agreements reached at the recent summit meeting.

The two sides signed an agreement on economic cooperation and another agreement on visa exemptions for citizens of the two countries.

The two sides agreed to prepare for the signing of agreements on investment protection and avoidance of double taxation and to open the border gates between the two countries at an early date. They signed four agreements on communications, postal services, and railway transport and agreed to prepare for the signing of an agreement on scientific-technological cooperation and to set up a team of experts to make preparations for the two countries' official talks about those issues related to land borders and the Gulf of Tonkin. They also agreed on procedures for regular information exchanges between the two foreign ministries.

The two sides also agreed that within this year, Vietnam and China will establish consulates general in their respective countries.

The two ministers exchanged views on preparations for an official visit to Vietnam by Chinese Premier Li Peng scheduled for the latter half of this year.

The two sides also exchanged views on a number of international and regional issues and shared identical or similar views on many international problems.

On the developments in Cambodia following the signing of the Paris agreement on an overall political solution to the Cambodian issue, both sides stressed the need for continued efforts from all Cambodian parties and countries concerned to achieve national reconciliation and accord in Cambodia and to develop the role of the Supreme National Council [SNC] to quickly bring about stability and create favorable conditions for building Cambodia into a peaceful, independent, and neutral country befriending all nations.

The two ministers reiterated that as signatories to the Paris agreement on Cambodia, Vietnam and China are duty-bound to help with the smooth and favorable development of the Cambodian peace process.

Vietnam and China are neighbors sharing the same mountains and rivers. The two peoples and governments have maintained traditional ties of friendship and have assisted and supported each other in the cause of national liberation and national construction. At present, the two countries share many similarities and enjoy many conditions for cooperation which will benefit both countries. There are many favorable conditions for Sino-Vietnamese ties, especially Sino- Vietnamese economic relations, to develop.

The fine results of the official visit to Vietnam by State Council member and Foreign Minister Qian Qichen show that the full normalization of Sino-Vietnamese relations is a steady and uninterrupted process. This full normalization of Sino-Vietnamese relations not only meets the two peoples' aspirations and benefits our people's renovation work and efforts to reach out to the world as well as the Chinese people's reform program and open-door policy, thus serving the two peoples' fundamental and long-term interests, but also positively contributes to the cause of peace, stability, cooperation, and development in the region and the rest of the world.

Commentary Hails Visit

BK1702104792 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 15 Feb 92

[Ngoc Quang's commentary: "An Important New Manifestation of the Vietnam-China Relationship"]

[Text] The Vietnamese and Chinese peoples consider the first official visit to Vietnam by Chinese Foreign Minister Qian Qichen a new, important manifestation in the process of normalizing relations between the two countries. The normalization of relations began at the November 1991 summit meeting of leaders of the two countries in Beijing.

During the Chinese foreign minister's visit to Vietnam, the Vietnamese and Chinese sides, through their meetings and talks, were pleased to note that the Sino-Vietnamese relationship has developed in many aspects during the past period. Both sides also reached unanimity in a number of measures aimed at strengthening the already existing relationship, and signed agreements on economic cooperation and on visa exemption for citizens of the two countries.

Vietnam and China are countries in the Asia-Pacific region. As a result, both nations have a mutual concern over the regional situation and have expressed satisfaction over the positive developments in the region. This has greatly contributed to restoring peace, development, and cooperation among countries in the Asia-Pacific area. Both sides expressed the identity of views on the principle of ensuring independence, sovereignty, and the interests of all nations in international relations. Both Vietnam and China expressed concern over the Cambodian situation, and exchanged views on developments in the country after the signing of the Paris peace accord. Both sides stressed the necessity for all Cambodian factions and parties concerned to take part in national reconciliation in Cambodia and to develop the role of the Supreme National Council of Cambodia [SNC] to quickly achieve stability and create favorable conditions for building Cambodia into a peaceful, independent, and neutral country befriending all nations in the world.

The Vietnam-China friendship has been restored and is developing further. We welcome results attained in the official visit to China late last year by the Vietnamese high-ranking delegation as well as in the recent official friendship visit to Vietnam by Chinese Foreign Minister Qian Qichen. We consider these visits very necessary, because they help to vigorously and quickly strengthen and develop the bilateral relations between the two nations in a more effective manner, thus meeting the aspirations and interests of the two peoples and promoting the trend of peace, cooperation, and development in the era. For this reason, the Vietnamese people, like their Chinese counterparts, are looking forward to the official visit to Vietnam by Chinese Premier Li Peng in the second half of this year. This important visit was confirmed by Chinese Foreign Minister Qian Qichen during his recent official visit to Vietnam.

Improving Sino-Vietnamese Trade Relations Viewed

BK1702104192 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 12 Feb 92

[Article by Tay Hai from the "International Topic" program: "Sino-Vietnam Cooperation Is Broadening in Many Fields"]

[Summary] "Recently, the trade, cooperation, and joint venture relations between Vietnam and China have strengthened, meeting the willingness and aspiration of the two countries' peoples.

"At first, trade in the border markets of the two countries has increased many times compared to 1989 and 1990. According to information released by Chinese and Vietnamese Government offices in the border areas, in the month after the official normalization of the two governments, the amount of commodities exchanged in the border areas of the two countries was equal to the amount of the entire previous year.

"The number of provinces and areas participating in the exchange and trade in border areas also increased. On the Chinese side, so far, there have been more than 20 provinces, cities, and special zones taking part in border trade with Vietnam. On the Vietnamese side, the economic units in Lang Son, Hanoi, Ho Chi Minh City, and many other provinces and cities have taken part in trade and goods exchange with China."

Some Chinese localities have become trading points for Vietnam and China. Due to these trading activities, the people living in the Sino-Vietnamese border areas and even in other areas have been provided with more staple goods and favorite commodities. Chinese goods such as chinaware, furniture, textiles, electrical devices, and so on are well-liked by Vietnamese customers. And Vietnamese goods such as livestock, sea and forest products, footwear, cosmetics, and so on are bought a lot by the Chinese.

"Responsible cadres of the two governments confirmed that Sino-Vietnamese trade helps create jobs for many people and production units of the two countries. Some localities on the border have become much more active than before.

"In late 1991 and early 1992, many delegations of companies and production units of the two countries visited one another to study possibilities of cooperation and joint ventures. One of the initial results of these visits is many contracts having been signed by Vietnamese and Chinese economic units."

In a recent news conference with foreign journalists in Nanning of Guangxi Province, the province vice president confirmed that Sino-Vietnamese relations would incessantly develop. With the normalization of relations between the two countries, the cross-border trade and cooperation between the two countries would increase with every passing day.

"China and Vietnam agreed to open another 25 points at the border line for national, local, and individual trade. In recent years, the cross-border trade of Vietnam and Guangxi Province has reached 2 billion yuan. In 1992, the trade surely will increase much more."

Airline Grounding in Singapore Reported

BK2002105492 Hanoi Voice of Vietnam in English 1000 GMT 20 Feb 92

[Text] Court and airlines sources said a Vietnam airliner was prevented from returning home from Changi Airport in Singapore on account of a court order stemming from the U.S. embargo against Vietnam. These sources said that this Vietnam airliner was stopped while the American Technical Union, known as UTC for short, won a court order against JES Air, a Bulgarian company that leased Vietnam that chartered plane.

An agent of the Singaporean Supreme Court said that this order had been given pending investigation into the UTC allegations that continued flight of this plane into Vietnam will violate the U.S. embargo on technology transfer and other transactions with Vietnam.

Vo Van Kiet Receives Malaysian Health Minister

BK1902151992 Hanoi VNA in English 1432 GMT 19 Feb 92

[Text] Hanoi VNA Feb. 19—Chairman of the Council of Ministers Vo Van Kiet received here today Malaysian Health Minister Lee Kim Sai, who is heading a Malaysian public health delegation on a working visit as guest of Minister of Public Health Pham Song.

Chairman Vo Van Kiet welcomed the Malaysian minister and his party, the first high-level delegation of Malaysia here, to discuss measures to further develop the cooperation between the two governments during Chairman Vo Van Kiet's visit to Malaysia in January. The chairman affirmed that the Vietnamese Government would create all conditions for the implementation of mutual agreements between the two health services.

The Malaysian minister highly valued the Vietnamese health service's potentials and achievements in the fields of research, personnel training, and disease prevention and treatment. He said that with these potentials, Vietnam has all conditions to cooperate with and assist Malaysia in the medical field. He affirmed that Malaysia would do its best to make bilateral cooperation in the health care and other fields more fruitful.

The Malaysian delegation arrived here on Feb. 16 for a week-long working visit to inquire into the development of traditional medicine in Vietnam.

This afternoon, Vietnamese Health Minister Pham Song and his Malaysian counterpart Lee Kim Sai signed a cooperation document between the two countries.

Under the document, the two sides will exchange medical workers, especially specialists in traditional medicine, and cooperate in medicine production and trading, in AIDS prevention and diagnosis, as well as in personnel training.

The Malaysian guests toured a number of various researh institutes, hospitals, and pharmaceutical enterprises in Hanoi and Ho Chi Minh City.

NHAN DAN Discusses New World Economic Order

BK2002073592 Hanoi Voice of Vietnam in English 1000 GMT 18 Feb 92

[Text] The Vietnamese paper NHAN DAN on Tuesday [18 February] ran a commentary on the new world economic order being formed. The paper said:

In recent months people talked much about the world economic order with two main tendencies. One held that presently the U.S. is the only superpower who imposes its order on others because the Soviet Union no longer exists; and the other tendency held that the world is now turning into a multipolar world and the United States, Western Europe, and Japan are manipulating the global economy and politics. Some other poles are being formed.

These two tendencies are based on the doctrines of strength of some military, economic, scientific and technological superpowers in which the minority strong would impose their order on the majority of weak ones. This ideology has dominated the world's politics for centuries, especially in the 20th century, causing numerous catastrophes to a number of nations and all of mankind.

The two first world wars were the outcome of this policy. The first war was a struggle for power between the two groups of big powers—Germany, Austria, and Hungary with Britain, France, and Russia; and the Second World War was a struggle for power between Germany, Italy and Japan and the U.S., Britain, and France. After World War II, being a military and economic superpower and a victor, the United States attempted to impose its order, creating an era of its domination over the world.

Being confronted with its new counterpart, the Soviet Union, the U.S. had feverishly set up its military buildup and got bogged down in a new colonialist war. U.S. economic development was slowed down while the defeated powers managed to gain time to recover and develop their economies, becoming U.S. economic rivals, and the U.S. era was not materialized.

Confronted with unprecedented changes and the collapse of the U.S. biggest rival, the U.S. once again found itself a unique superpower and luckily it had a chance to demonstrate its strength through the Gulf war. However, U.S. strength has its limitations. Immediately after its victory the U.S. had to confront a number of domestic and international affairs. In fact, the U.S. is not capable enough to impose its order on a global scale. The U.S. had to try very hard to maintain as superpower number one beside other growing powers such as Germany, Japan and other countries.

The paper continues: These two tendencies represent two confronting forces in the world political life. The world situation is developing complicatedly with new hotbeds of tension.

No one can say what the world is like in the 21st century. A world of peace and development is still out of reach. The scientific and technical revolution have been going on in various countries at different levels, enabling social changes, and these social changes are a great help for progress. At present a new international tendency has been found, that is, the tendency of peace, national independendce, democracy and social progress. All nations have tried their best to integrate in the historic evolution to assert their roles as masters of their countries and lives.

Both unipolar and multipolar political world conceptions are not accepted for both check the advance toward a civilized society or cause conflict or instability. All nations are now struggling to dertermine their own destiny.

Do Muoi Attends People's Councils Conference

BK2002064992 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 15 Feb 92

[Text] After a three-day sitting, the Fourth National Conference on the People's Councils was concluded in Ho Chi Minh City with splendid success. Comrade Do Muoi, general secretary of the Communist Party of Vietnam [CPV], attended and addressed the conference.

After analyzing a number of issues and the situation at home and abroad, Comrade Do Muoi highly appraised the activities of the National Assembly and the People's Councils during the past period, saying that these had positively contributed to the nation's renovation undertaking. Under the party leadership, the organization and activities of the People's Councils have step by step been renovated, thus meeting the people's aspirations and wishes, consolidating the administration, and restoring the people's confidence in the echelons of the authorities.

Comrade Do Muoi also pointed out some shortcomings in the activities of the People's Councils which, at certain times, were carried out just for form's sake, thus failing to bring the role of the people's councillors into full play, especially in resolving the issues of localities. He said that the inspection work and the implementation of state policies and laws were not carried out seriously and that the activities of echelons of the People's Councils were weak, thus failing to meet the requirements of the new situation and tasks.

General Secretary Do Muoi stressed that in the days ahead the People's Councils must strive to renovate their organization and activities; effectively contribute to firmly maintaining political stability—so developing the socioeconomic side and strengthening security and national defense; actively promote democracy; and strictly suppress corruption, tax evasion, and other illegal acts.

Concluding his address, Comrade Do Muoi stressed that one of the most urgent tasks that will strengthen the activities of the People's Councils is to enhance and renovate the leadership of the party committee over the echelons of the People's Councils. To achieve this, the echelons must strive to firmly grasp the party lines and policies, abide by the state laws, and closely monitor the situation in localities. Moreover, the echelons of party committees must formulate plans to train and forge cadres, while introducing competent persons of good behaviour to participate in the activities of the People's Councils.

Vo Van Kiet Visits Dong Thap Province

BK1902044392 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 12 Feb 92

[Text] On 7 February, Chairman of the Council of Ministers Vo Van Kiet visited Tan Hong district, Dong Thap Province, which was hardest-hit by flashfloods in mid 1991. Accompanying the chairman was Comrade Nguyen Thanh Phong, chairman of the Dong Thap provincial People's Committee. Chairman Vo Van Kiet heard the district leaders report on the socioeconomic situation in the district since its establishment and the results of overcoming the recent flood aftermath.

Established two years ago, the district's infrastructural installations are still insignificant and the people's livelihood is very difficult. Meanwhile, it sustained heavy damage from the recent flashflood, which was estimated at 14 billion dong. However, with the guidance and assistance of the central and provincial governments and the local authorities' effort to effectively exploit the potential of Dong Thap Muoi, Tan Hong District has been able to develop its socioeconomic, security, and national defense domains a step further.

Some 2,500 ha of fallow land have been reclaimed and nearly all have been cultivated. In 1991, the district produced 92,000 tonnes of grain, an annual per capita average of 1,840 kg and an increase of 640 kg over 1990. Besides rice, Tan Hong district also has 2,000 ha of subsidiary food and industrial crops. Although the 1991 flashflood caused heavy damage, its aftermath was overcome expeditiously. Now, the district has sowed 14,500 ha of winter-spring rice on schedule and the rice is growing well.

Chairman Vo Van Kiet was very concerned about such issues as the efforts to overcome the flood aftermath; the distribution of production means and medicines; the restoration of service stations, schools and irrigation projects; the stabilization of the people's livelihood; and the continued efforts to grow rice in order to compensate for the loss of 6,000 ha of summer-fall and 10th-month rice.

Chairman Vo Van Kiet was happy to see that, despite the heavy damage from the natural disaster, Tan Hong district has quickly overcome the aftermath and continued to develop itself, turning a deserted area into a densely populated area. He said that to satisfactorily exploit the latent potential of Dong Thap Muoi, efforts should be continually exerted to perfect the water conservancy and communications systems so as to solve the problems of irrigation and movement. The district must step up its intensive cultivation of crops along with expanding the area in order to produce large amounts of grain and goods, thereby accumulating capital for recycling production and improving the people's living conditions.

The state agencies from the central down to provincial and district levels must help peasants with some capital for production and buy all their rice and goods at rational purchasing prices in order to get more grain for export while creating conditions for stimulating the development of production. They must satisfactorily draw on the experience in controling and overcoming the recent flood aftermath in order to properly plan the building of houses and other public utility projects, and to actively limit damage. The chairman urged Tan Hong district authorities to pay due attention to the cultural and educational tasks since the district is in an outlying area, and to attentively concern themselves with the managerial control and defense of border security and the anti-smuggling activities. He also worked with the leaders of the party committee and the people's committee of Dong Thap Province on the strategy of local socioeconomic development in 1992 and subsequent years.

On the same day, Chairman Vo Van Kiet visited the 30 April farm located at the mouth of Song Hau River in Hau Giang Province. Formerly, the river mouth area was deserted and used to be the staging area for illegal sea escapees. In 1987, the Song Hau farm director decided to split his personnel to establish a new farm called 30 April and recruit additional households of peasants from 20 provinces and cities, who were living temporarily in the area, to build dikes, reclaim land from the sea and build a new land for rice planting and shrimp raising. The family members of the farm and peasants households are considered production units which each accept a contract for one to six hectares of land for rice planting and shrimp raising as guided by the farm authorities. The farm authorities have also secured cooperation and help from various scientific research institutes and Can Tho University in order to apply technological innovations to production in an area recently reclaimed for the seas and to increase the rice yield from one tonne to 5 tonnes per hectare each crop season, thus attaining an total annual rice production volume of 5,000 tonnes. With such a production structure of rice, subsidiary food crops, and shrimps, the farm has steadily developed over the past few years, expanded its production, and stabilized the livelihood of the workers' families.

Chairman Vo Van Kiet inspected the rice field where the formula of one rice crop and shrimp raising season or one rice crop with two shrimp raising seasons in a year have been applied in order to produce high yields. He carefully inquired about the organization of land reclamation from the seas, the experience in awarding contracts and collecting products from various households, and the conditions for raising shrimps and planting rice in larger areas. He commended the farm workers for their dynamism and creativity and their fine achievements, and stressed: These results have asserted the correctness of the state policy of exploiting the latent potential of Dong Thap Muoi, the quadrangular Long Xuyen area, and the Mekong River delta. They have paved the way for agricultural production in the Mekong River delta provinces. He expected that Hau Giang province and other provinces in the region would learn from the experiences of the model 30 April farm to have more such farms every day, creating more jobs for workers, turning out more products and goods, enriching the country.

General Doan Khue Attends Army Tasks Conference

BK2002115392 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 17 Feb 92

[Text] The Ministry of National Defense held a conference on 13-15 February to review and appraise results of economic and production activities of the entire Army in 1991, and to discuss tasks and orientations for 1992. Attending the conference were General Doan Khue, member of the Communist Party of Vietnam [CPV] Central Committee Political Bureau and minister of national defense; Senior Lieutenant Dao Dinh Luyen, member of the CPV Central Committee and chief of the Army General Staff.

In 1991, carrying out tasks in accordance with the market mechanism, the Army economic and production activities were firmly maintained while notable achievements were scored in many respects. Many targets were fulfilled, with an increase of 6-10 percenet compared to those in 1990. National defense production has contributed to firmly maintaining the Army's capability in producing weapons and military equipment and in promoting research and experimental work.

The conference stressed that to accelerate the economic and national defense production to meet requirements for building the Army in the new sitution—especially the program to improve the Army's daily life—all units must strive to carry out such important tasks to reorganize economic and national defense production activities, formulate appropriate plans and policies, and promote the mechanism in which the party leads, the enterprise manager supervises, and workers are the owners, while striving to create more jobs and mobilize more capital for production and business.

Leaders Attend Meeting of Veteran Revolutionaries

BK2002113392 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 16 Feb 92

[Text] On the occasion of Tet Nham Than [year of the monkey], a get together was held in Hanoi on 16 February for veteran revolutionary combatants who were imprisoned at Ban Me Thuot prison by French colonialists and U.S. imperialists during the war years. Comrade Tran Huu Vuc, head of the liaison committee of former Ban Me Thuot prisoners, reported on contributions of data and information made by these persons to the Institute of Party History for compiling into a book entitled: History of the Ban Me Thuot Prison.

Council of State Chairman Vo Chi Cong, General Doan Khue, and Senior Lieutenant General Tran Van Quang attended the function and shared the good time with their former colleagues. Comrade Vo Chi Cong delivered a speech saying that despite brutal tortures imposed on Vietnamese revolutionaries by French colonialism, the Vietnamese revolution finally achieved victory. He stressed that veteran revolutionary combatants detained at prisons in Ban Me Thuot and elsewhere in Vietnam during that period had served as a nucleus for victory of the August Revolution as well as for achievements in the struggles against French colonialism and U.S. imperialism, thereby leading to the national unification and contributing to building and defending socialism in Vietnam. Chairman Vo Chi Cong said: Today, we are very elated to recall the great contributions made by them. We pledge that we will continue to carry out the revolution to our last breath and to resolutely oppose all schemes to undermine socialism being carried out by reactionary groups at home and abroad.

At the get together, many comrades read poems written by them recently as well as at the Ban Me Thuot prison, describing their unyielding struggle during the war years as well as their support for the present struggle against corruption which is being carried out by our entire party and people.

Foreign Trade Volume Reaches $1.9 Billion in 1991

BK1902103792 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 13 Feb 92

[Unattributed essay in "International Topic" program]

[Text] Vietnam successfully implemented its export plan in 1991 recording $1.9 billion in revenue, despite changes to its markets.

Its total exports to the former USSR and East European countries, however, have dropped from 50 percent to about 13.5 percent in 1991. In any case, Vietnamese products have found new markets in Asia and Southeast Asia, with more than 80 percent being exported to these countries in 1991.

Its important buyers today are Singapore, Japan, Hong Kong, France, and Germany. Vietnamese handicrafts and its agricultural, marine, forest and light-industrial products are well received in these countries.

Crude oil, coal, rubber, peanuts, rattan, and silk are also exported to many countries. Also, many Asian, West European, and North American countries had established contact in late 1991 to study trading possibilities with the SRV for 1992.

Not only are raw materials in demand but also crude oil and finished goods such as garments and footwear. Traditional products such as Hai Duong ceramics have now gained a reputation with Japanese, Italian, and Hong Kong customers. Of high quality and cheaper in price, they are now competing against Chinese ceramics for markets. New exports such as gemstones are also a favorite with foreigners. International specialists say Vietnamese gemstones are high quality and sell well in international markets, especially in Switzerland. The gemstone exporting business is also growing. Recently, a Swiss gemstone company established a joint venture with SRV's Savimex Company to export Vietnamese gemstones.

Some commodities produced by Hanoi economic units are also becoming popular overseas such as garment, footwear, and door locks. Particularly, Vietnamese silk produced in Bao Loc District of Central Vietnam was purchased by 38 corporations and companies of nearly 20 European and Asian countries in large quantity. It is predicted that silk export will bring tens of millions of dollars in 1992.

This year, with new direction in export by decreasing the export of unprocessed goods and raw materials and increasing the export of processed and high quality commodity, the Vietnamese foreign trade will continue expanding its market to new countries, contributing its important part to Vietnam's integration to the international market in the region as well as in the world.

Hanoi People Propose Constitution Revisions

BK1802134392 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 18 Feb 92

[From the daily press review]

[Text] The paper HANOI MOI today, 18 February, reports that 90 percent of units in the capital have contributed ideas to the draft amendments to the 1980 Constitution. It says that 510,000 people have participated in 3,600 meetings and contributed 1.4 million ideas to the draft amendments. All nine wards and districts of the capital have solicited ideas from people in subwards, villages, streets, and at production teams. Various conferences of the Fatherland Front Committee, the people's councils and committees, chapters of the Lawyers Association, and other mass organizations have also discussed and contributed ideas to the draft. Almost all ideas contended that there are more new features in the draft amendments as compared to the 1980 Constitution. However, in the part dealing with the people's right to mastery, the draft amendments did not enhance the role of individuals in the execution of work and in taking responsibility, while upholding the role of collectives in making decisions. Contents of articles in some chapters are duplicated while others are inconsistent. For instance, Chapters 1, 2, and 3 should not deal with the citizens' rights and obligations and that this issue should be condensed in Chapter 5.

Regarding the preamble, 37,000 ideas were contributed, of which 23,000 ideas agreed to the preamble in the draft amendments while 800 others contended that the preamble is not necessary.

More on Revision Proposals

BK1802135092 Hong Kong AFP in English 1010 GMT 18 Feb 92

[Text] Hanoi, Feb 18 (AFP)—Many Hanoi residents have suggested deleting from Vietnam's new constitution a number of terms closely associated with communism, a city newspaper reported Tuesday.

Some 510,000 people participated in 3,600 meetings in neighborhoods, public offices, mass organizations and schools here as part of a nationwide campaign to gather public views on the draft constitution, HANOI MOI said.

"Close to 40 percent of the opinions said that the terms 'transition period', 'self-resilience', 'pledge to unite as one' and 'in the light of'... should be deleted" from the constitution's preamble, the article said.

The state-controlled daily did not provide the context, but the paragraph containing these phrases in the preamble begins: "In the light of Marxism-Leninism and Ho Chi Minh's thought and guided by the program for building up the country during the period of transition to socialism..."

The majority of those surveyed also said the new constitution did not go far enough in emphasizing individual responsibility instead of collective leadership, HANOI MOI said.

Vietnam's first new constitution since 1980 is due to be ratified by the National Assembly next month after the period of public review.

The document protects private enterprise, which has been allowed to florish here since 1987, but enshrines the guiding role of the Communist Party over a society ultimately bound for socialism. "The people are the masters" through a stronger National Assembly, while "the state provides management and the party guidance," the draft constitution says.

Lam Dong People Contribute Ideas

BK2002044892 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 19 Feb 92

[Text] Since early February, Lam Dong Province has actively urged cadres, workers, and state personnel to contribute ideas to the draft amendments to the 1980 Constitution. Initial result shows that 10 districts and cities and 34 sectors and branches in Da Lat City have contributed more than 3,000 ideas to the draft amendments.

About 80 percent of the population in Bao Luc, Duy Lan, Duc Trong Districts, and Da Lat City have attended meetings to discuss and contribute ideas to the draft amendments. Moreover, the provincial Fatherland Front Committee has also held meetings for Catholic priests, Buddhist monks, preachers, and intellectuals to contribute their ideas to the draft. Most of them said they agreed to the draft amendments, especially the number of chapters and articles which are relatively sufficient and are arranged in a good order. However, the preamble, the party leadership role, and priority for socioeconomic development in the mountain region should be presented in a more precise manner; and that cultural, education, public health development, the role of state-run and collective economies, and ownership of land should be clearly stipulated. Many persons suggested that village people's committee chairmen should be appointed as in the case of district and provincial levels.

Article Scorns Dissident Bui Tin

BK1902160192 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 14 Feb 92

[Article by Senior Colonel Bui Bien Thuy, a journalist at the QUAN DOI NHAN DAN Publishing House "where he worked with Bui Tin for nearly 20 years"— published in the 9 February issue of HANOI CHU NHAT (HANOI SUNDAY)]

[Text] After reading the article "The Betrayal of a Revolution" by Bui Tin in the 20 October 1991 issue of THE WASHINGTON POST, we found that:

1. Once again, Bui Tin has spared no words in decrying and distorting the socialist construction in our country, negating and distorting our effective renovation undertaking, and strongly and bitterly lashing out at our political system and our party and state leaders.

2. Also with his boastful, deceitful, and false allegations, Bui Tin shamelessly continues to fabricate for himself various deeds in the hope of making himself a well-known statesman. He has inflated his popularity in an attempt to deceive unknowledgeable people, ingratiating himself with those who are cosseting and using him.

As one of those who once lived and worked with Bui Tin at the QUAN DOI NHAN DAN press organ for nearly 20 years, I cannot stand idle while Bui Tin acts increasingly boastfully and deceitfully in the hope of linking himself with various of our nation's important historical events. Lies are a debasing manifestation of thinking. Bui Tin's lousy personality has made a large number of our Vietnamese nationals abroad and even those who have been using him realize his treachery.

It is no coincidence that author (Alsacolli) raised this doubtful question in THE WASHINGTON POST: Is Bui Tin a crusader for democracy or just a con man? Then what military exploits and what painful stories has Bui Tin fabricated?

In his article titled "The Betryal of a Revolution," Bui Tin wrote: I was wounded in 1954 during the famous battle of Dien Bien Phu, where we trounced the French troops. Later I was assigned to direct many important missions."

After reading this paragraph, we asked ourselves: Did Bui Tin fight and become wounded at Dien Bien Phu? Most of us who worked with Bui Tin for nearly a quarter of century have never seen his name on the list of wounded soldiers of our office. Not once was Bui Tin present at the 27 July annual meetings held at the newspaper office to commemorate the war invalids. Also, never has anyone seen Bui Tin's Dien Bien Phu insignia. To make doubly sure we browsed through Bui Tin's original curriculum vitaes and also the autobiography on his military life he personally penned in 1959 and supplemented in 1967, but in none of them did we see any reference to his taking part in or being wounded at the battle of Dien Bien Phu.

All the three supplemented original curriculum vitae of Bui Tin as well as his autobiography unanimously show that from July 1950 to January 1954 Bui Tin convalesced in Nanning, China, and later was assigned to the Propaganda and Training Section of the Political Department of the 4th Interzone. In July 1958 he was sent to a political course for intermediate- and high-ranking cadres.

To be more cetain, we went to see those cadres in charge of the then Political Department of the 4th Interzone who were directly responsible for and collaborated with Bui Tin from 1954 to July 1958, as well as those comrades formerly in charge of various combat and logistical elements in Dien Bien Phu, to confirm Bui Tin's claims. All of these comrades broke into laughter and said: That is pure fiction. No such thing happened. Bui Tin lived safely in the rear during the Dien Bien Phu campaign.

It is clear that Bui Tin has dreamed up a deed that never happened, his war wounds, and an imaginarily famous battle at Dien Bien Phu. In his article, Bui Tin dubiously talked about a famous battle. If what he said is true, why did he not clearly give the name of the battle? Where did it occur, on what date? And who was the commander? More shamelessly still, Bui Tin harped on Radio BBC about the fact that he personally accepted the surrender of the Duong Van Minh cabinet and that he himself saw a tank knock down the iron gate of the Independence Palace.

Bui Tin wrote in THE WASHINGTON POST: As I was a senior officer, my comrades insisted that I accept the surrender of General Duong Van Minh, the last head of the defeated Saigon Government.

On these false claims by Bui Tin, Journalist Nguyen Tran Thiet knows better than anyone else that during the April days of 1975, the editorial staff of QUAN DOI NHAN DAN sent 10 correspondents or so to accompany different spearhead elements in the assault on Saigon. Bui Tin and Nguyen

Tran Thiet rode in the same car that arrived in Saigon prior to the arrival of other correspondents.

Correspondent Nguyen Tran Thiet said: With the fierce attacks of our Army, by 0930 hours on 30 April the guns had fallen silent throughout South Vietnam. By 1130 hours our troops had completely overrun the Independence Place. All the members of the Duong Van Minh cabinet had gathered to hand over the surrender. At 1230 hours when I and Bui Tin arrived at the Independence Palace, everything was already settled. We saw two Liberation Army soldiers standing guard at the entrance to the palace. At about 1430 hours on the same day, when he saw us Comrade Cong Trang, deputy political commissar of the Huong Giang Corps, said: "All the members of the Duong Van Minh cabinet are still over there on the second floor. You may go there to gather material for your reports."

In his article entitled "Saigon in the Historic Moments" published in QUAN DOI NHAN DAN on 2 May 1975, Bui Tin himself wrote: As we arrived at the presidential palace at 14:30 hrs on 30 April, we already saw two large flags of the revolution flying on the roof top.

Then why did Bui Tin fabricate the story about himself witnessing and accepting the surrender? He thought that by linking himself with the two resounding victories of our nation and of progressive mankind—namely the Dien Bien Phu victory and the 30 April victory—he would be able to make himself a well-known statesman. But a magpie will always a magpie even if it dons peacock feathers in disguise.

In his article in THE WASHINGTON POST, Bui Tin said he had many times advised the communist leaders not to implement the transformation program in the south, including the economic transformation in agriculture, commerce, and the compradore capitalist economy. He deeply regretted they did not heed his advice. Actually, from 1978-79, Bui Tin was sent on several occasions on tours of duty in the southern provinces to cover the political, social, and economic developments there following the liberation. In many of his press articles, he praised the profound improvements due to this transformation, especially with regard to the compradore capitalism.

Bui Tin wrote in the 19 September 1979 issue of QUAN DOI NHAN DAN about those compradore capitalists: They are fat. Their faces are pale because of their carnal indulgence and their eyes look treacherous. They are guilty of colluding with the U.S.-puppet clique in serving its war of aggression, of snatching other people's property and viciously exploiting labor, of speculative hoarding and market disruption, and of fervently opposing the revolution. We must attack them swiftly but carefully, strongly and accurately, and deal with them separately and appropriately, according to their crimes.

In 1975 and 1976, when he was correspondent for QUAN DOI NHAN DAN, Bui Tin met a number of Army generals and colonels and high-ranking officials of the Saigon administration at their private residences or at their reeducation camps and checked their personal files for information.

In his serialized articles entitled "The Death Toll of the U.S.-Puppet Clique" which ran 14 successive installments in QUAN DOI NHAN DAN in 1977, he elaborately described the sale of the country and the crimes of many of the Army generals and colonels of the Saigon administration such as Huynh Van Cao, Nguyen Huu Co, Le Minh Dao, Vu Quang Chiem, and so forth. Having personally made several visits to the men at their reeducation camps, Bui Tin praised the way they had been reeducated and our party and state's lenient policy toward them.

Bui Tin wrote that truth is steadily dawning on them and is gradually blazing the way for those whose minds have been heavily poisoned.

Now he is speaking differently. He is saying he feels heart-broken because Vietnamese Government leaders have allegedly rejected his advice to refrain sending hundreds of thousands of former South Vietnamese Government officials and military officers to the so-called reeducation camps.

That is not all. In his article, Bui Tin went so far as to boast that he had been very close to Mr. Ho who died in 1969, that he had drafted the plan to secretely move North Vietnamese troops to the south to fight the Americans, that he had time and again reminded, advised, and persuaded the Vietnamese communist leaders but to no avail. Therefore, Bui Tin's heart was alledgedly saddened, lamenting the collapsing Vietnam, and so forth.

There is no need for us to discuss at length about these brazen fabrications made during the anti-U.S. war for national salvation. How could Bui Tin during the final part of 1964 as head of the factual section of QUAN DOI NHAN DAN and in 1973 as its deputy editor-in-chief, claim to have had means and the responsibility to keep close to President Ho Chi Minh and other party and state leaders and to repeatedly remind, advise, and persuade them? With such a junior position and function, how could he claim to have directed the many important missions during the anti-U.S. struggle? There are many more things we could bring up if we want to denounce the lies he had fabricated about his deeds as seen in his article "The Betrayal of a Revolution."

In his article, Bui Tin once again brazenly fabricated many of his famous combat exploits and deeds, describing himself as a genius or a statesman of sorts.

Through his acts of undermining our country's revolution, everyone knows Bui Tin is turning his back on the past, brutalizing the present, and blinding himself to the future. His premeditated and organized attempt to oppose and betray our country's revolution is becoming more evident.

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Criticism of Professor Lawrence

Harvard University's Professor Robert Lawrence, meanwhile, has argued that Japanese "keiretsu" is becoming an obstacle to imports. He has defined "keiretsu" companies, using information provided in "Industrial Groups in Japan" (published in English; hereinafter IGJ), a publication issued by Dudwell Marketing Consultants. He has also analyzed—using regression analysis methods—relationships between import/export rates and sales shares of "keiretsu" companies for 37 sectors of the manufacturing industries of Japan (aviation and machinery industries not included). Professor Lawrence argues that: 1) A vertical "keiretsu" lowers imports while raising exports, as it has the effect of containing imports and expanding exports when business efficiency is elevated; and 2) A horizontal "keiretsu" lowers imports while not contributing to export promotion. He thus insists that both forms of keiretsu are obstacles to imports (Reference: "Efficient or Exclusionary? Import Actions by Japanese Business Groups" in Brooking's January 1991 publication).

Since this article by Lawrence is quoted in explaining the closed nature of Japanese "keiretsu," without due study given to its contents, in this article we would like to critically review and assess his argument.

We begin with a discussion of "keiretsu." What Professor Lawrence called horizontal "keiretsu" means business groups represented by the "Big Six"—the Mitsui Group, the Mitsubishi Group, and so forth. The argument that these groups are closed and act as a means of impeding imports may grow out of an impression that these groups do a lot of business within their own groups and not much business with companies outside their own groups or with foreign companies. But, according to a 1981 survey conducted by the Fair Trade Commission [FTC], intragroup business transactions by the Big Six (the FTC defines companies whose presidents are represented at the group presidents' regular meeting as keiretsu companies within the groups) comprised 11.7 percent of sales and 10.8 percent of purchases. According to a 1989 survey of the Enterprise Vitality Research Institute, the figures were 10.9 percent in sales and 10.0 percent in purchases. The rate of intragroup transactions remained at about 10 percent; that rate is showing a declining trend.

It is difficult to discuss this matter in reference to transactions of individual commodities. But if a study by Professor Kenichi Imai of Stanford University on the use of general purpose computers is taken as an example, even though each of the business groups has its own powerful computer manufacturer, it is clear that companies in the groups in fact were not concerned about the presence of computer companies in their own groups and were not hesitant about using computers made by other groups' companies or foreign-affiliated companies or about using imported computers. Transactions were multilateral. (See the table. The source of the table's data is an article by Imai entitled "Japan's Economic Structure," published in English in 1990; the table was compiled by K. Yamamura.) The business groups were found to be using substantial numbers of imported products; the breakdown of number of computers used ranged from 30 to 70 percent.

Table: Computers Used by Big Six Business Groups

Group Name (Name of Computer Maker in Group)	Number of Companies in Group	Number of Computers Used in Group	Number of Computers From Group's Maker	Share of Computers From Nongroup Makers	Share of Foreign-Made Computers
Mitsui (Toshiba)	24	88	1 (1.1%)	35 (39.8%)	52 (59.1%)
Mitsubishi (Mitsubishi)	28	150	18 (12.0%)	42 (28.0%)	90 (69.0%)
Sumitomo (NEC)	21	116	53 (45.7%)	—	63 (54.3%)
Fuyo (Hitachi, Oki)	29	143	45 (31.5%)	50 (35%)	48 (33.6%)
Sanwa (Hitachi)	40	180	60 (33.3%)	50 (27.8%)	70 (38.9%)
DKB (Hitachi, Fujitsu)	45	214	151 (70.6%)	3 (1.4%)	60 (28.0%)

Reference: Article by Kenichi Imai on Japanese business groups and the Structural Impediments Initiative entitled "Japan's Economic Structure; Should It Change?" Source of his data is "Computer User Survey Annual Report" (published by Japan Business Management Institute in 1989).

Even our own interview survey of businesses in several industrial sectors showed that principles of general economic rationale rule in transactions by "keiretsu" companies. Our feeling was that our survey confirmed the results of the two surveys referred to above.

What Professor Lawrence called vertical "keiretsu" is thought to mean business groups with giant manufacturing companies at their core and with subsidiaries and affiliated companies as satellites—like the Toyota Group and the Hitachi Group. But transactions by these groups are not as closed and pyramidal in structure as implied by the concept of vertical "keiretsu." Besides, the substance of transactions is in the process of changing.

According to a 1987 FTC survey, the grounds on which companies chose their customers were factors like "stable supply," "high quality," and "low prices." Very few companies cited as a reason "belonging to the same group" when asked why they did business with certain customers. Professor Tadao Kiyonari of Hosei University has also noted this. But, according to the "Survey on the Structure of Division of Labor in the Manufacturing Sector" conducted by the Small and Medium Enterprise

Agency in December 1990, the companies accepting "subcontracts" from nongroup companies were no more than 17.3 percent; this indicated that most companies dealt with a plural number of "parent" companies. Even where the perception of the "parent" companies was concerned, according to the "Survey on the Structure of Division of Labor in the Manufacturing Sector" conducted by the Small and Medium Enterprise Agency in December 1989, many fewer "parent" companies replied that, "in future business dealings, we would favor 'keiretsu' companies that were past customers." Increasingly, companies said: "Regardless of past transactions, we will choose our customers from a wide range of companies both domestically and abroad" and "we will consider adding foreign companies to our list of customers, just as we have domestic companies."

Furthermore, taking as an example the auto companies considered typical of vertical "keiretsu," the following changes are taking place as a result of technical renovation in electronics. There are also improvements being made in efficiency of parts production and in parts quality, thanks to competitiveness coupled with cooperation.

Accelerating Plural Transactions

First of all, with competition growing among automakers and parts manufacturers, business in parts is increasingly done in multilateral and plural ways. For instance, an automaker forms a joint development project team in cooperation with several parts makers, and, in turn, a parts maker forms a joint project team with several automakers. For example, Nippondenso, although directly affiliated with the Toyota Group, is doing business with all automakers except Nissan Motors.

Second, the automakers, because of the need to strength their leverage over parts makers, are beginning to produce some parts themselves.

In other words, the charges are totally inappropriate that the Japanese auto industry procures most of its parts from outside the company, and therefore has created a larger trade impediment than the U.S. auto industry, which has limited parts purchases from outside the company because most parts are internally made. For instance, if General Motors is compared with Toyota, the number of employees for the former is 735,000 while that of the latter is 70,000, and annual sales are 16 trillion yen and 8 trillion yen, respectively—per employee sales for the former is 20 million yen, and for the latter 100 million yen. What this difference probably means is that a fairly large number of General Motors' employees are engaged in producing parts.

Simply put, as far as Japanese companies under heavy pressure of competiton among themselves are concerned, the first point of importance they must make as a necessary qualification for their customers is that the customer be able to supply good-quality products at low prices and be able to maintain a relationship of trust in the long term. Whether the companies belong to the same group or not is not important. (Making a judgment about which company belongs to which group is difficult, and there are various views. This point will be discussed again later.) Even imported products, if they are good quality and have low prices, have a good chance to enter the market. It is difficult to think that "keiretsu" is an obstacle to imports.

Problems With Lawrence's Article

We would like point out that there are four problems with Lawrence's article when it is analyzed.

First, to discuss the data used in the IGJ article, we must say that classification standards used in it are ambiguous. In what the author called horitizonal "keiretsu," he included, in addition to the so-called Big Six groups, two groups—the Tokai Bank Group and the Industrial Bank of Japan Group—which are so much different in substance. In vertical "keiretsu," he included such department chains and railway companies as the Seibu Saison group and the Tokyo Group. His judgment on which companies belong to which group is also conspicuously different from that given in other sources. For instance, if a comparison is made between the IGJ article and the Economic Research Association-published "Annual Report: Study on Keiretsu," whose data are considered more detailed than those in the IGJ, the number of companies belonging to the Big Six groups was 809 in the IGJ, and 746 (excluding banking and insurance companies) in the "Study on Keiretsu." The comparison shows that 367 companies included in the latter were not included in the former, and 431 companies included in the former were not included in the latter.

This fact tells that the phonomenon called "keiretsu" cannot by nature be classified as to which companies belong to which group in "black and white" terms.

Second, Professer Lawrence infers from the relationship between sales of shares and imports of "keiretsu" companies of an industry that the "keiretsu" is functioning as an "import barrier." But if he really meant to analyze the impact of "keiretsu" on imports (though necessary data are thought to be difficult to obtain), he should have also analyzed the differences between companies belonging to "keiretsu" and those not belonging to any "keiretsu"—with respect to import behavior.

Third, when analyzing the relationship between the "keiretsu" companies' share sales and imports, Lawrence totals up all the sales of companies that come under "keiretsu" according to the IGJ, and he uses this total number as a variable with the effect of impeding imports. But as pointed out above, the intragroup transactions of the companies of the Big Six business groups, after all, do not exceed 10 percent. It is absurd to use total sales of these "keiretsu" companies"—in such a manner—as a variable to explain his assertion.

Fourth, if we look the results of regression analysis in Professor Lawrence's model, we can see that it is not very significant. He excluded from analysis data from the aircraft industry, where import ratios are high, on the grounds that if the aircraft industry is included, the causal relationship between "keiretsu" and import ratios becomes unclear. But that is Professor Lawrence's arbitrary view. It is difficult to accept as valid the outcome of such analysis.

Regarding imports and the "keiretsu" in Japan, views have been voiced in the United States recently asserting that the reason why Japan's imports, in particular imports of manufactured goods, and intra-industry trade volumes are low is because of the existence of the "keiretsu." But as seen above, an understanding of "keiretsu" in general is ambiguous and inadequate. To begin with, it is impossible to believe that there is any relationship between the phenomena of "keiretsu" and the low level of imports.

Exports by the United States to the EC and Japan expanded 2.1 times and 2.0 times, respectively, in the period from 1985 to 1990, and the absolute value of exports to the two areas were at about the same level. The United Kingdom in 1988 launched a campaign to promote exports to Japan with "Opportunity Japan," and has almost doubled its exports to Japan from 1.5 billion pounds to 2.63 billion pounds in three years. The country is now continuing the campaign under a new name, "Priority Japan," and is putting a lot of effort into expanding exports to Japan.

The United States has put in place many import barriers by instituting import volume restraints or demanding voluntary export ceilings on other countries. And the commodities under such controls cover a wide area, including textiles, steel products, automobiles, and machine tools. Criticism charging that the Japanese market is more closed than the U.S. market is not fair.

In the past few years, Japan's imports of manufactured goods grew a lot, but the growth was still lower than those of the European nations and the United States for the following reasons.

How To Successfuly Sell Manufactured Goods in the Japanese Marketplace

First, we would like to point out that Japan has a relatively superior economic structure. Since Japan lacks land and natural resources, it is in a weak position in those areas. Japan, however, has skilled workers and high technology. Japan is relatively strong in manufacturing, particularly in the high-tech manufacturing industry. This is the major reason why European nations and the United States have voluntarily restricted their exports to Japan. Many of their manufactured goods have been unable to compete with manufactured goods from Japan in their own markets, and those nations have asked Japan to restrict the export of manufactured goods to their markets. Under these circumstances, it is natural that Japan's exports of manufactured goods to the markets of those nations have been restricted.

Second, we would like to point out that Japan has no potent industrialized neighbors that share a similar technological level, or cultural and social practices, with Japan. In the past few years, the newly industrialized economies in Asia have made headway in industrialization and have boosted their exports of light-industrial goods to Japan. Their exports of machinery and parts to Japan, which require high technology for production, remain at a low level.

Third, we would like to point out that enterprises in Europe and the United States still have little understanding of what sort of manufactured goods and services they should export to Japan to meet the needs of Japanese consumers and enterprises. We think that, until now, European and U.S. enterprises have not had that much interest in the Japanese markets. Some European and U.S. enterprises, which eyed Japanese markets long ago and exported quality manufactured goods to Japan at low prices in order to meet the needs of Japanese consumers and enterprises, have succeeded in the Japanese marketplace. As for the automobiles that the United States is presently making an issue of, well, German "Benz" and "BMW" have succeeded in exporting their cars to Japan. "Benz and "BMW" have been rated by Japanese car buyers as reliable and good-quality cars. They received these ratings because they have made various efforts, including one to build up their own dealership network in Japan. Whether European or U.S. enterprises succeed in selling their manufactured goods in the Japanese market will depend largely on how much effort they put into it. In order to boost their exports of manufactured goods to Japan, foreign firms need to develop good quality manufactured goods which can meet the needs of Japanese consumers and provide full aftersales services instead of merely seeking protectionism.

Japan also needs to work continuously to sharply increase imports as an important future political and economic task. Regarding "keiretsu," an analysis has been undertaken based on a biased view and, as a result, there is an argument that the phenomenon of the "keiretsu" is the key factor contributing to the closure of Japanese markets. We cannot help but feel embarrassed by the suggestion.

EPA Head Seeks Halt to Economic Slowdown

OW1902134992 Tokyo JIJI in English 1312 GMT 19 Feb 92—FOR OFFICIAL USE ONLY

[Text] Tokyo, Feb. 19 (JIJI PRESS)—Economic Planning Agency (EPA) Director-General Takeshi Noda Wednesday expressed his view that Japan's economy is slowing at a fairly fast speed.

Noda, speaking at a House of Representatives budget committee meeting, said the economy is basically on a sustainable growth path with labor supply and demand well balanced.

But he also noted that business confidence is below a desired level.

He stressed the need for an early Diet (parliament) approval of the fiscal 1992 budget emphasizing economic stimulative measures including increased public works spending.

A medicine is prepared but it remains to be used and he hopes to use it as soon as possible, Noda said.

Miyazawa on Projections for Economic Growth

OW2002122192 Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 Feb 92 Morning Edition—FOR OFFICIAL USE ONLY

[Received via Nikkei Telecom data base]

[Text] Speaking about the government projection of 3.5-percent real growth in the gross national product (GNP) for 1992 at the House of Representatives' Budget Committee on 19 February, Prime Minister Miyazawa said: "Growth should be pursued on the basis of domestic demand. Unless dependence on external demand is reduced somewhat, we will be the recipient of international criticism. It is true that at the earlier meeting of the finance ministers of the seven industrial nations (G-7), there were expressions of expectations [in this regard] from other nations. The prime minister made this remark in reply to a question from Nobuaki Futami (Komeito).

Asked about the possibility of accelerating the execution of the budget as a way of boosting the economy, he replied: "The budget for local individual projects runs to 14 trillion yen; once a new fiscal year starts, the budget can be executed freely, and the effect of it on the economy will be substantial. I have made a request to the home affairs minister [in this connection]." As for the next year's budget, he said that he "will do his best so that it may be passed, while watching the deliberations of the Diet," and indicated that he was willing to accelerate the execution of the budget as soon as it is passed.

The prime minister noted that since there is a shortage of manpower in Japan, "rationalization and investments to reduce manpower needs should be continued in order to maintain smooth growth." He then noted that the market interest rates for long- and short-term credits have dropped substantially, and said: "The interest rates may not go so low as to be seen in dreams, but they are at a level to make capital investments possible. It is rather strange that the growth of money supply is as low as 2 percent. He thus gave his view that the problem was not in the level of interest rates, but in the trend of companies not wanting to borrow or banks not wanting to lend.

Municipalities To Reexamine Rules for Large Stores

OW2002071292 Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 Feb 92 Morning Edition—FOR OFFICIAL USE ONLY

[Received via Nikkei Telecom data base]

[Text] According to the Ministry of International Trade and Industry [MITI], the number of local municipalities that have adopted excessive regulations in screening the opening of big stores has drastically decreased. The number of municipalities adopting their own regulations, which the MITI consider "excessive," was 393 as of late March 1989. After the ministry issued instructions, the number decreased to 217 in late January 1992. The number is expected to further decrease to 27 by the end of March this year. To remove confusion in screening, MITI will call on municipalities with their own regulations to abandon them immediately.

The ministry especially pays attention to cases wherein municipalities adopt regulations more severe than the Large-Scale Retail Store Control Law (which is applied to screening the openings of large stores with more than 500 square meters of floor space). For example, some municipalities ask local shop owners to submit written consent in the screening procedure. MITI says such a rule should be abolished.

Moreover, the ministry calls for easing regulations even on such stores with less than 500 square meters of floor space, which are not now subject to the retail store control law.

Defense Agency To Build New High-Speed LST's

OW1902055492 Tokyo SANKEI SHIMBUN in Japanese 3 Feb 92 Morning Edition p 3—FOR OFFICIAL USE ONLY

[Text] On 2 February, the Japan Defense Agency's Maritime Self-Defense Force decided to build a larger high-speed LST (landing ship, tank) capable of carrying helicopters in order to improve the almost nonexistent transportation capability of personnel and supplies to remote places. The decision has been made to prepare Japan for future participation in UN peacekeeping operations (PKO), disaster relief activities, and refugee transportation overseas, and the Defense Agency will make the corresponding budget request for fiscal 1993.

Currently, the Japanese Maritime Self-Defense Force has a total of eight LST's in three different classes: Miura class (2,000 tons), Atsumi (1,480 tons), and Yura (590 tons).

However, as transport vessels, they are all too small, and their loading capacity is limited. Even the Miura class is capable of carrying only some 200 personnel and a few vehicles.

Moreover, the maximum speed of 14 knots is comparable only to minesweepers, and it is an uncomfortable vehicle in which to travel. It is not designed for long voyages on the open sea because of the vessel's shallow draft—resulting from its double-door bow from which personnel and supplies are unloaded after reaching the shore—and round bottom.

Japan's defense capability has faithfully observed the limits of the "principle of pure defense," and consideration has been given only to such transport missions as transportation from other areas of ground forces for reinforcements to Hokkaido and carrying supplies to Okinawa and Iwo Jima.

As things stand, even if the PKO bill or the amendment to the International Emergency Relief Team Law should pass the Diet, these LST's are definitely not capable of making sufficient contributions. Therefore, the Defense Agency insists that LST's capable of rapidly transporting a minimum of 300 personnel, large helicopters, and bulldozers—which are indispensable equipment for rescue missions—are absolutely necessary.

To satisfy these requirements, the LST's to be built will be larger at 8,900 tons and will be able to travel at the high speed of 25 knots, comparable to destroyers. The estimated construction cost is 30 billion yen.

The Japanese Maritime Self-Defense Force would like to have at least two LST's of this class in the future to be able to respond promptly to international needs. It believes that the review of the Mid-Term Defense Buildup Plan should involve not only the "retrenchment issue" but also discussions on the ideal defense capability to cope with new tasks.

Defense Agency To Develop New SAM With U.S.

OW1802030192 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Feb 92 Evening Edition—FOR OFFICIAL USE ONLY

[Received via Nikkei Telecom data base]

[Text] The Defense Agency has begun examination of plans to jointly develop with the United States a next-generation medium-range surface-to-air missile (new medium-range SAM) which the agency planned to produce on an experimental basis beginning in 1993. The agency has decided to develop it jointly with the United States after concluding that it is not a good policy for Japan to switch abruptly to the domestic production of the "medium-range SAM," which Japan has thus far imported from the United States, in view of relations with the United States and growing frictions between the two countries over military technology. The "new medium-range SAM" is seen as the backbone theater missile of global protection against limited strikes (GPALS) which the United States declared last year as a new strategic defense initiative (SDI). Regarding the SDI, the government has thus far stuck to the policy that the "government itself does not participate directly in it." Therefore, the government needs to make a sweeping review of the policy to produce it jointly with the United States.

The Defense Agency is undertaking basic research on development of the "new medium-range SAM," with the aim of deploying it to units in 2002. The computer-guided "new medium-range SAM" is capable of hitting such targets as aircraft and missiles by detouring mountainsides. It will replace the current surface-to-air missile "Hawk." It will cost a total of 1 trillion yen to replace all of the "Hawk" missiles now possessed by the Ground Self-Defense Force.

For this reason, the agency has concluded that if Japan decides to produce the "new medium-range SAM" at home, it would certainly trigger a backlash in the United States against the decision. The agency has explained the outline of the development plan to Raytheon, U.S. maker of "Hawk," and sounded it out about the possibility of jointly developing the "new medium-range SAM." In response, the U.S. Department of Defense is reportedly making an informal offer to develop it jointly.

Editorial Views Nation's Defense Capabilities

OW1702064592 Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Feb 92 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Editorial: "How Should Defense Capabilities Be Built During the Transition Period?"]

[Text] As symbolized by the collapse of the Soviet Union, the world has undergone dramatic changes in the past few years. In particular, the aspect of a military confrontation between the two camps of the East and West greatly changed. The world is about to enter a new phase which cannot be handled by the concept of a cold war.

Every year, the U.S. Department of Defense has released a report entitled "The Military Strength of the Soviet Union," but the department changed the title of the 1991 version to "Soviet Military Strength at the Turning Point." Based on the perception that Japan now stands at a turning point, the government needs to formulate a security policy compatible with the present fluid era.

The Defense Agency founded a study committee on defense capabilities in January and has begun the task of reviewing the current Five-Year Plan for Defense Buildup [FYPDB] (from 1992 to 1995). The agency appears to be intending to review only the plan itself, but it should make a diversified analysis of the plan by making a distinction between what needs to be implemented immediately and what needs to be implemented in the long term, and should then separately set out plans for the accomplishment of these two goals.

For example, the procurement volume of mainstay military hardware (including weapons and aircraft) under the current FYPDB is down sharply from that of the previous FYPDB. The annual average growth rate in the cost for procurement of mainstay military equipment (on a contractual basis) is down sharply from that of the previous percentage under the FYPDB for the year before. This is the result of a defense policy of slashing spending on the procurement of mainstay military hardware and increasing spending towards the improvement of logistical support. In the future, the agency needs to make an overall checkup on what sort of military hardware should receive priority treatment in the transition period, instead of cutting back on the procurement of military hardware across the board, and to make full use of checkup results in drawing up the next FYPDB.

In addition, what should be reviewed from the both long-term and short-term viewpoints is the fixed number of the Self-Defense Forces [SDF]. Regarding the fixed number of the Ground Self-Defense Force [GSDF], the attached paper to the Defense Guidelines explicitly indicates a figure of 180,000. The actual number of GSDF members now stands at approximately 150,000 because of difficulties recruiting new members.

Some officials working on the review are expressing the view that the fixed number for the GSDF should be lowered to 150,000 and the number of reserve SDF officers should be increased instead to prepare for mobilization in the event of an emergency. This view, however, is no more than a numbers game which would end up resulting in giving the GSDF almost the same number of members because of the situation regarding would-be applicants and because, when looking at the real state of reserve GSDF officers, we do not think that they will be of any use in the event of an emergency even if their numbers are increased. We hope that the agency will come up with concrete steps instead of increasing or decreasing the figures.

From the standpoint of a long-term prospective, meanwhile, the combat capabilities of the former Soviet forces in the Far East is expected to decline because of their obsolete military hardware.

Testifying before a session of the Senate Military Committee in January, CIA Director Gates forecast that Russia would slash its procurement of weapons this year by 80 percent compared to that of a year earlier. The director also indicated that Russia has suspended building submarines capable of carrying ballistic missiles for the first time since the end of the cold war. The operation rate of military factories, which produce precision weapons for the country's Navy and Air Force, is highly likely to be lowered in the long run.

If that takes place, it would become necessary for Japan to examine whether it needs to maintain 100 antisubmarine P-3C planes, whose number exceeds those operated presently by the United States.

Originally, it was the iron rule of the military to be poised to prepare for the worst situation and avoid wishful speculation. The Defense Agency should come to a conclusion, after reviewing and making a comprehensive judgment of various factors, based on this iron principle.

Space Agency Bids To Launch Rockets Year Round

OW1702152792 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Feb 92 Morning Edition p 21—FOR OFFICIAL USE ONLY

[Text] Regarding National Space Development Agency [NASDA] rocket launches from the Tanegashima Space Center (in Kagoshima Prefecture), the Science and Technology Agency [STA] has decided to launch its rockets throughout the year. Although rocket launches have so far been limited to summer and winter, the STA has concluded that to promote further commercial utilization of the H-2, which is a domestically made, next-generation, large-scale rocket currently under development, it will be necessary to launch rockets without any temporal limitations. Beginning this week, the STA will hold preliminary talks with fishermen's associations in five concerned prefectures.

In accordance with an agreement with the fishermen's associations in the prefectures of Kagoshima, Miyazaki, Oita, Kochi, and Ehime, launches from the Tanagashima Space Center have been limited to 45-day periods in summer, from August to September, and in winter, from January to February, every year. This agreement on the launching periods also applies to launches by the Space Scientific Research Institute of the Education Ministry at the Kagoshima Space Observatory (in Kagoshima Prefecture).

By introducing flexible launching periods, the STA will be able to stagger launches scheduled for summer and winter at the request of users and launch rockets even in spring and autumn.

In an attempt to promote commercial utilization, the STA has decided to transfer its technology to enterprises and agencies at home and abroad. In this connection, the STA has been transferring its technology from NASDA to Rocket System Co. (headquartered in Tokyo), which is engaged in the launch and control of rockets.

Nevertheless, it is expected that if the current launching periods remain unchanged, the STA will fail to meet the needs of users and, in turn, may lose launching contracts. Therefore, the STA has decided to settle these issues by conducting launches throughout the year.

North Korea

PRC, Russian Envoys Absent From Birthday Fete

OW1802144892 Tokyo MAINICHI SHIMBUN in Japanese 18 Feb 92 Morning Edition p 7—FOR OFFICIAL USE ONLY

[By Toshiichiro Tsunaya]

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[Text] Pyongyang, 17 February—In the Democratic People's Republic of Korea, where the sixth round of ROK-DPRK prime ministers' talks will be held on 18 February, the 17 February issue of NODONG SINMUN, an organ of the Workers Party of Korea [WPK], reported on the scene at the 16 February ceremony of congratulations marking WPK Secretary Kim Chong-il's 50th birthday. A photo took up half of the newspaper's front page. According to an informed source, a Cuban navy commander attended the ceremony as one of the foreign guests. The source said that representatives from China and Russia were absent from the ceremony.

NODONG SINMUN's photo showed the ceremony in the Pyongyang gymnasium. Secretary Kim Chong-il stood in the center. President Kim Il-song was off to his right, with Cuban Navy Commander Pedro M. Perez standing in between. It is reported that the Cuban commander was sent as a representative of "the party, the nation, and the military."

The informed source said that "neither party nor government representatives" from China and Russia and nations of the former Soviet Union attended the ceremony.

Chon In-chol on Talks With Japan, U.S.

OW1702021692 Tokyo TOKYO SHIMBUN in Japanese 3 Feb 92 Morning Edition p 2—FOR OFFICIAL USE ONLY

["Summary" of interview with DPRK Vice Foreign Minister Chon In-chol by TOKYO SHIMBUN reporter Yoshikazu Shimizu in Beijing on 2 February]

[Text] [Shimizu] How do you assess the current negotiations between the DPRK and Japan and what do you think are the prospects for future talks?

[Chon] Normalization of diplomatic relations is possible only when Japan meets the conditions for a flat-out apology concerning past issues and proper compensation is made. Concerning the compensation issue, the Japanese side has gone back to the starting point of the negotiations. The Japanese side this time took up the problem of nuclear inspections. Only Japan is expressing international doubts, despite the fact that the United States and South Korea, the parties concerned, have expressed their satisfaction. Instead of worrying about someone else's problem, Japan should know that doubts concerning nuclear development are being directed toward it. However as a whole, the negotiations were the most productive so far, with deeper discussions and more mutual understanding compared to other talks. As long as the Japanese side keeps its stance, it will be difficult to talk about prospects.

[Shimizu] What will the schedule be before accepting nuclear inspections?

[Chon] We will do without fail what we said we would do and will not resort to lies. Now that (the DPRK) has signed the nuclear safeguards accord, its ratification by the legislative body will be made at the earliest possible date. In accordance with the agreed-upon procedures with the International Atomic Energy Agency (IAEA), nuclear inspections will be accepted in a dignified manner at an early date.

[Shimizu] What about the view that the ratification will be made in autumn?

[Chon] Why should we postpone it? The ratification will be finished at the earliest date.

[Shimizu] Tell us the main view concerning the problem of comfort women serving during World War II, who were forced to provide sex to Japanese soldiers.

[Chon] We have been proposing this problem comprehensively since the first round of talks. This was damage to humanity that was inflicted during Japanese colonial rule. It is natural that the problem of comfort women would draw the brunt of world opinion, and it is impossible that such cruel and inhumane sins could go unexposed. The comfort women problem should be compensated within the framework of our other demands. Also, rising from the South Korean people, there are voices demanding apologies and compensation, and the Japanese Government must also compensate the South Korean people for the damages inflicted upon them, which would include the comfort women problem.

[Shimizu] Is there any possibility of convening South-North summit talks this spring?

[Chon] We have proposed the convening of North-South summit talks when an atmosphere for unification arises. On 19 February, when the sixth North-South talks between prime ministers are convened, the agreement for conciliation and nonaggression will go into effect and it will lead to a breakthrough (for a summit conference). I do not foresee any major problems. However, in my opinion, how can the president of the southern authorities, who has imprisoned Rev. Mun Ik-hwan and the student Lim Su-kyong for visiting Pyongyang and appealing for unification, meet President Kim Il-song with them still in prison?

[Shimizu] What are the prospects for future U.S.-North Korean relations?

[Chon] A high-level North Korean-U.S. conference was conducted successfully and I am satisfied with the results. It marked an important turning point for the improvement of North Korean-U.S. relations. This conference was literally a high-level conference and was not an intergovernmental conference. As for North Korea-Japan relations, it started with a joint declaration by three parties but, once the intergovernment conference was convened, the Japanese Government did not recognize the contents of the joint declaration, making the conference complicated. Between North Korea and the

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United States, the problem would not become so complex, because the United States would not say it has no knowledge of agreed-upon particulars at a high-level conference, when intergovernment negotiations start.

Mongolia

Energy Crisis Deepens; TV Broadcasts Reduced

OW2002135792 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1218 GMT 20 Feb 92—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, February 19, (MONTSAME)—Inhabitants of Mongolia's capital have to change their daylife adjusting it to power cuts, which become commonplace because of serious shortages of coal. The city power stations have one day coal reserves.

Strict limits were introduced in the countrys' energy consumption. Energy supply will be cut at least three hours a day. Transmission of TV programmes is also reduced. Starting from March 1 the guaranteed average temperature in houses will be only 16 grades by Celsius.

New Center To Research 1939 Japanese Invasion

OW2002133692 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1220 GMT 20 Feb 92—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, February 19, (MONTSAME)—The centre of historical studies "Khalhin-Gol-39" was set up today. "The truth about Japanese invasion in 1939 to Mongolia is lost or falsified. So our main task is to collect documents, reminiscences of veterans and then find the truth about battles on Khalhin-Gol River/southern border of Mongolia" said Dr. Hurelbaatar, the centre director at the press conference today.

He also stressed that Khalhin-Gol battle had a serious impact on Mongolia's history.